

**Colorado Foundation for Universal Health Care**

Testimony in support of HB 18-1179 "Concerning a Prohibition Against Price Gouging on Certain Pharmaceutical Drugs"

House Health, Insurance, and Environment Committee

March 1, 2018

Chairman Ginal and Committee Members,

My name is Judith Burke. I am a registered nurse and am here today urging your support of this bill on behalf of the Colorado Foundation for Universal Health Care. The mission of the organization is to support a universal health care financing system. We are working to guarantee that everyone who needs health care will have access to affordable health care when they need it.

Pharmaceuticals are one of the major cost drivers in the current system because the pharmaceutical industry has a stranglehold on US drug prices. The U. S. is currently one of the few developed countries that doesn't negotiate prices with insurance companies.

The affordability of prescription drugs is important because not filling a prescription can result in more emergency room visits and hospitalizations. Everyone should be able to afford the medicine they need to survive and thrive.

Yet every day, the most vulnerable Coloradans go without needed medicines because of unchecked price increases in drug costs.

In their June 2016 report on prescription drug affordability in Colorado, the Colorado Health Institute identified four important and concerning patterns:

- 27% of the people who could not afford a prescription drug in 2015 were underinsured, meaning they have high out of pocket costs.
- The lowest-income Coloradans under 100% of FPL are more than twice as likely as Colorado's highest earners to not fill a prescription due to cost.
- About 15% of Coloradans between the ages of 45 and 54 did not fill a prescription due to cost.
- The highest rates of those who didn't fill a prescription because it cost too much are in the San Luis Valley (17.5%) and northwest Colorado (15.1%)

The twelve-member Colorado Commission on Affordable Health Care issued their final report in June 2017, acknowledging the problem that drug pricing remains unchecked and as such continues to increase costs for consumers and payers alike. One of their recommendations was to curb opportunistic pricing behaviors by pharmaceutical companies by addressing apparent overly aggressive pricing practices for drugs.

Generic drugs account for 89% of U. S. prescription volume because have they proven less costly while just as effective as higher priced alternatives. However, the price of certain generic drugs is increasing. A recent study by the U. S. Government Accountability Office showed that more than 20% of established generic drugs analyzed had at least one extraordinary price increase of 100% or more between 2010 and 2015. With no research and development costs, and unrestricted competition prices should be falling.

We have data on Colorado's most vulnerable. We have recommendations for Colorado from a panel of experts. The Colorado Legislature now has the opportunity to take action and we urge you to do so.

Thank you.

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