



The Bell Policy Center

Prohibit Price Gouging on Prescription Drugs SB18-152

Senate State, Veterans and Military Affairs Committee

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Thank you for the opportunity to present this testimony.

I'm Natalie Wood and I'm a senior policy analyst with the Bell Policy Center. The Bell is a non-partisan, non-profit research and advocacy organization founded on progressive values and dedicated to ensuring economic mobility for all Coloradans.

The Bell supports SB18-152 to prohibit price gouging by pharmaceutical manufacturers and wholesalers and make pharmaceutical price gouging a deceptive trade practice. Rising prescription drug prices pose a real threat to the budgets of Colorado families, and limits on these skyrocketing costs will help them avoid economic insecurity, medical-related debt, and adverse health outcomes.

High-priced pharmaceuticals significantly squeeze family budgets and put their health at risk. National research from the Kaiser Family Foundation finds about a quarter of consumers taking prescription drugs have a hard time affording their medication, and that one out of ten people report delaying or skipping their prescription drugs as a result.

In Colorado, the number is slightly higher. The 2017 Colorado Health Access Survey found that nearly 11 percent of Coloradans skip filling their prescriptions because they cannot afford it. Historical data from the CHAS shows that this number has barely budged in nine years. Coloradans are experiencing higher out-of-pocket costs than other areas of the country as well. Recent analysis from the JPMorgan Chase Institute looked at customer out-of-pocket healthcare spending patterns in 23 states. Adults age 18-64 in Colorado spent the most on healthcare, an average of \$916 annually. This amount does not include what they spent using health savings or flexible spending accounts and uses very conservative measures of drug spending due to their methodology.

An important footnote on this study is that it did not look at spending by those over age 65. Kaiser's research has shown that while high pharmaceutical costs put a burden on all people, they are especially problematic for people who are older, lower-income, female, and who struggle with illness and chronic health conditions. This is especially true for those with blood diseases, cancer, digestive diseases,

circulatory conditions, and endocrine disorders. Colorado is experiencing rapid growth in its population over age 65 – we have the 3rd fastest growth rate in the country. As older adults are more likely to have chronic health conditions, need pharmaceutical drugs, and have trouble affording related costs, it's an opportune time to find ways to curb drug prices.

From a health perspective, high prescription drug costs mean patients skip doses or hoard pills, in addition to refraining from purchasing them. When patients fail to adhere to their physician's prescribing practices they can experience dangerous and life-threatening symptoms. From a financial perspective, national and Colorado-specific research shows consumers who have problems paying for these drugs spend down their savings, must take a second job, accrue debt, spend time dealing with debt collectors, and in some cases, forgo spending on basic necessities like food, heat or housing.

Colorado's Commission on Affordable Health Care examined promising approaches to curb drug prices and costs, in large part because Coloradans across the state demanded they do so. The Commission called out "curbing opportunistic pricing behaviors by pharmaceutical companies" as one potential strategy, and Maryland has already taken this approach. While many recommendations require collaboration with and action from the federal government, this is a step that lets Colorado leverage and assert its state authority on an important consumer protection issue.

While I'm here in a professional capacity, I'm also the parent of two children with food allergies. Epinephrine auto-injectors are necessary to save my boys in a medical emergency and are required for them to attend school, participate in camps or be cared for by child care providers. As a result, I don't have much choice in whether I purchase them. When companies like Mylan get away with price gouging on EpiPens purely for profit, mothers like me feel powerless, angry and more financially strapped. If our attorney general could prohibit and prosecute bad actors for price gouging, it would help.

The Bell Policy Center urges a yes vote on SB18-152.

We thank Senator Aguilar for bringing this bill to you today and thank the committee for the opportunity to share our thoughts with you.