



## **Your Generics & Biosimilars Industry**

April 7, 2022

Representative Tina Liebling  
Chairwoman, House Health Finance and Policy  
477 Rev. Martin Luther King Jr. Blvd.  
St. Paul, MN 55115

Regarding:  
House HHS Omnibus  
(HF 4706)

Dear Chair Liebling and Members of the House Health Finance & Policy Committee:

On behalf of the Association for Accessible Medicines (AAM), I am writing to provide initial comments on the HHS Omnibus bill (HF 4706).

AAM is the leading trade association for the developers and manufacturers of generic and biosimilar medicines. Its core mission is to improve the lives of patients by advancing timely access to high quality, affordable, and FDA-approved generic and biosimilar medicines. In 2020, generic and biosimilar drug manufacturers saved \$4.8 billion for patients in Minnesota.

Generic and biosimilar medicines are providing cost savings to Minnesotans every day. AAM supports the biosimilar coverage provisions but is concerned that some of the prescription drug provisions included in the HHS Omnibus bill, while intended to help patients in Minnesota, will result in increasing the cost of generic and biosimilar medications. If these provisions are passed, each new requirement places additional burdens on generic and biosimilar manufacturers and will not yield the desired results.

Below are more specific views on the provisions:

### **Biosimilar Coverage**

#### **Article 6, Section 44, 49, 59**

AAM supports the compromise language in the legislation. The legislation reflects an agreement reached between the hospitals and AAM. This provision will enhance competition and help facilitate patient savings and access to lower cost medications as more biosimilars are approved by the FDA and come to market.

### **Prohibition on “Excessive” Price Increases**

#### **Article 6, Sections 24 - 28**

AAM opposes the provision as proposed because it misguidedly applies only to low-cost generic drugs. Brand-name drugs account for 82% of all spending on prescription drugs and would be exempt from this proposal. The fact is: brand-name drugs drive spending, while generic drugs reduce costs year-over-year.

---

Experience shows drug prices decline rapidly when generics enter the market. According to FDA, prices fall by an average of 39% for the first generic and by nearly 80% when four or more generics enter the market. In fact, generics account for 90% of prescriptions dispensed, but only 18% of spending. While the price of brand name drugs increased through 2020, spending on generic drugs declined. This provision is misguided by going after generic drugs only - - the one area of the health care market bringing significant savings to Minnesotans.

**Changes to Drug Price Transparency Law**  
**Article 6, Sections 4 – 8, 11 & 12, 16, 22 & 23**

AAM opposes the proposed changes to Minnesota’s drug price transparency law. The Minnesota Department of Health has yet to produce a report. The first report was initially due on January 15<sup>th</sup>, 2022 but was delayed until May 15<sup>th</sup>. It is not prudent for Minnesota to move forward on multiple different provisions that make significant changes when it is not yet known if the initial requirements are yielding the information that will help reduce drug prices for patients in Minnesota.

In particular, the language would broaden the reporting requirements for manufacturers by adding a requirement to cover all drugs within a “Drug Product Family.” These reporting requirements would apply even if the manufacturer substantially reduced the price of the drug. This stands in contrast to current law that included specific reporting thresholds as a mechanism to incentivize and reward manufacturers to refrain from significantly increasing prices.

The additional mandated reporting requirements in these sections would put unnecessary cost pressures on manufacturers, potentially harm patient access to low-cost medicines.

Thank you for considering our views on these provisions in HF 4706. If you have any questions, please feel free to contact me at [brett.michelin@accessiblemeds.org](mailto:brett.michelin@accessiblemeds.org).

Sincerely,



Brett Michelin  
Senior Director, State Government Affairs  
Association for Accessible Medicines