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March 24, 2022

Rep. Tina Liebling
Chair, Health Finance and Policy Committee
100 Rev. Dr. Martin Luther King Jr. Blvd
Saint Paul, MN, 55155

RE: H.F. 1516 – Alternative Biological Products - Oppose

Dear Representative Liebling,

I am writing on behalf of America's Health Insurance Plansⁱ to oppose H.F. 1516, legislation that will undermine health care affordability efforts for multiple diseases that require biological product treatments.

H.F. 1516 would limit health plans' and pharmacy benefit managers' (PBMs) ability to provide affordable biological product treatment options by limiting their ability to use medical management tools. These tools work to ensure everyday clinical practice is consistent with safe, evidence-based care.

Health plans and PBMs use medical management tools – such as formularies – to ensure patients receive access to safe, effective, evidence-based care at an affordable cost. Just as medical management tools are vital to ensure the safe prescribing of biological product treatments in the first place, these tools play an equally important role in ensuring alternative biological products are administered in a manner that is safe, effective, and appropriate for the specific needs of that patient.

Medical management is critically important for the management of alternative biological products, which are federally approved as having no clinically meaningful differences from their comparable biologic products in terms of safety, purity, or potency, much like with brand-name and generic drugs. The primary difference between the two treatments is that reference biological products are much more expensive and increase the cost of coverage. Medical management tools work to circumnavigate wide variation in provider prescribing practices and mitigate the potential for unnecessary health care spending.

Health plans use formulary placement (as well as prior authorization and step therapy) to ensure that patients are getting the most effective AND most cost-effective drug. Additionally, all health plans have exceptions processes (step therapy exceptions, non-formulary exemptions) to ensure that patients can get the right drug for them, if it's not the most cost effective for the entire plan. Legislative measures that reduce health plans' ability to design effective formularies drastically reduces health plans' and PBMs' ability to lower health care costs for consumers.

This bill may stifle tailored, clinically effective treatment and benefit designs.

Health plans should be able to tailor their benefit designs and use of medical management tools to promote safety, effectiveness, and affordability. H.F. 1516's extremely loose formulary requirements are a back-door protection to allow expensive branded drugs to monopolize their place on formularies. Formularies promote competition among drug manufacturers and lower costs for everyone – patients through their co-pays, and taxpayers, employers, and families through their premiums.

Medical management tools work to ensure everyday clinical practice is consistent with safe, evidence-based care. With numerous federal regulations and guidance acknowledging the value of medical management, along with persistent challenges to safety, quality, and affordability, it is important to support health plans' and PBMs' use of medical management tools to ensure patient access to safe, appropriate and affordable health care.

We thank you for considering our concerns regarding this issue. If you have any questions, please do not hesitate to contact me at (202) 400-0928 or jkeepes@ahip.org.

Sincerely,



Joshua D. Keepes, J.D.
America's Health Insurance Plans

ⁱ America's Health Insurance Plans (AHIP) is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

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