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May 11, 2023

The Honorable Julie Rogers, and
Members of the House Health Policy Committee

RE: Support for HB 4409

Dear Chairwoman Rogers and Committee Members,

We are writing on behalf of AARP to offer AARP's support for HB 4409, which would create the Drug Manufacturer Data Reporting Act and require drug manufacturers to disclose certain information on costs and pricing to the Department of Financial and Insurance Services.

AARP is a nonprofit, nonpartisan 501(c)(4) organization with approximately 1.25 million members in Michigan. AARP is committed to championing access to affordable, quality prescription drugs, and we appreciate the opportunity to provide these comments.

Addressing the high cost of prescription drugs is a priority for AARP because even the best drugs in the world don't work when people can't afford to take them.

According to a survey conducted by AARP in 2022, three in four Michiganders (75%) report taking prescription medications on a regular basis, and 58% cite not filling a prescription because of cost. Older adults are disproportionately affected by high prescription drug costs, with 40 percent taking 5 or more prescription drugs and nearly 20 percent taking 10 or more. More than half (57%) of Michigan adults 50 and over are concerned they will not be able to afford prescription drugs over the next few years for themselves or their families.

Moreover, high drug prices raise costs for everyone. High drug prices increase health insurance premiums and cost sharing for everyone who has health coverage. Higher prescription drug spending also increases costs for programs such as Medicare and Medicaid, which translates into higher taxes, cuts to public programs or both.

In particular, AARP believes patients deserve to know how much taxpayer-funded research went into developing a drug, and how much manufacturers spent on advertising compared to research and development. The United States is the only country in the world where drug manufacturers are allowed to advertise. In 2020 alone they spent \$6.6 billion on advertising, and drug prices in the United States were triple what they are in other countries.

Michigan residents want their legislators to hold drug companies accountable. In our 2022 AARP survey, nearly 9 in 10 Michigan voters age 50 and over (88%) said they support requiring drug companies to publicly disclose how prices are set for their medications.

Increased disclosure around pricing practices will result in more meaningful and actionable information for state officials, increase pressure to hold manufacturers accountable, and help payors determine whether a drug price or price increase is justified. In addition, this legislation would provide consumers with advance warning of increases in their drug costs, allowing consumers to discuss lower cost alternatives with their health providers.

AARP urges you to help lower drug prices in Michigan by voting YES on HB 4409. If you have any questions or if there is further information we can provide, please feel free to contact our Associate State Director for Government Affairs, Melissa Seifert, at mseifert@aarp.org or 517-316-6393. Thank you for your work on this important issue.

Respectfully,



Paula D. Cunningham
State Director



Lisa Dedden Cooper
Manager of Advocacy



Melissa Seifert
Associate State Director/Government Affairs

AARP is a nonprofit, nonpartisan 501(c)(4) social welfare organization that advocates on issues that matter the most to people age 50 and over, and their families. AARP has approximately 1.25 million members in Michigan. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates.