



September 1, 2021

Senator Cindy F. Friedman, Chair
Joint Committee on Health Care Financing
State House, Room 413-D
Boston, MA 02133

Representative John Lawn, Jr., Chair
Joint Committee on Health Care Financing
State House, Room 236
Boston, MA 02133

Dear Chairs,

I am writing to submit testimony on behalf of the Greater Boston Chamber of Commerce regarding S.771 and S.736, two bills dealing with pharmaceutical industry transparency and health care costs. One of the Chamber's guiding health care policy principles is that the state must strike a balance between supporting our cornerstone health care industry and ensuring that world-class care is accessible and affordable for residents, businesses, and the state budget.

The Chamber supports the goal of both bills to include pharmaceutical manufacturing companies and pharmacy benefit managers (PBMs) in health cost trends analyses and hearings. Including both in Health Policy Commission (HPC) public hearings and Center for Health Information and Analysis (CHIA) reporting will provide useful data and analysis to aid in health care cost reviews. Steps like permitting the HPC to study specific drugs that may be driving costs can narrow in on specific drivers and support qualitative and quantitative analysis about whether the costs are justified. We also understand that conducting this additional analysis may require an assessment on pharmaceutical firms to cover cost related to that analysis.

While the Chamber strongly supports expanding public hearings and data analysis, it is necessary to emphasize the exceptional cooperation that results in regular, voluntary appearances in which private entities (including hospitals and health plans) discuss their products, services, and operations in public settings. With that in mind, the Chamber urges the committee to avoid, at this stage, requiring companies to provide detailed information on their businesses, like marketing expenses, research and development expenses, and capital funding expenses. It is unclear how this additional information would reduce health care costs, whether for specific companies, sectors, or the industry as a whole.

For several years now there is general agreement on bringing pharmaceutical manufacturers and PBMs into hearings and treating them the same as health care entities. Rather than delaying involvement longer, the Chamber urges the committee and the Legislature to adopt provisions that add transparency through HPC and CHIA participation and require similar levels of reporting as hospitals and insurers.

As with any comprehensive legislation, the Legislature should consider the impacts each bill will have on our broader economy. This consideration is particularly relevant because health care plays an integral role in our regional and state economy. In Massachusetts, the health care industry directly accounts for about 18 percent of jobs in the state and indirectly accounts for tens of thousands of additional jobs.¹ The industry here includes world class providers, pharmaceutical breakthroughs, and among the largest share of insured residents in the country.

Thank you for your consideration and please do not hesitate to reach out with any questions.

Sincerely,

A handwritten signature in cursive script that reads 'James E. Rooney'.

James E. Rooney
President and CEO
cc: Members of the Joint Committee on Health Care Financing

¹ Bureau of Labor Statistics, June 2021