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Written Testimony in Opposition to HB 2557 to the House Insurance Committee

Thank you Mr. Chairman and members of the committee. On behalf of Cigna/Express Scripts, I appreciate the opportunity to provide comments in opposition to HB 2557.

Cigna Corporation is a global health service company dedicated to improving the health, well-being and peace of mind of those we serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna Life Insurance Company of New York, Connecticut General Life Insurance Company, Express Scripts companies or their affiliates, and Life Insurance Company of North America. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance. Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 165 million customer relationships throughout the world.

Cigna/Express Scripts leads the industry in creating and implementing comprehensive and innovative solutions to address diabetes cost and care. Our industry created the first Patient Assurance Program, announced last spring, adding simplicity, predictability and affordability to paying for insulin. Most importantly, we built this program by *partnering* with drug makers to generate additional discounts in an effort to make the program cost-neutral for the majority of plans that enroll.

- We have 6 million lives enrolled in our diabetes program and counting. In just the first three weeks, more than 13,000 customers have benefitted from this program and saved, on average, nearly \$30 for a 30-day prescription, which is more than \$350 annually. For some customers, the savings were greater.
- Patients benefit by having affordable access to insulin; plans benefit from additional value from pharma that keeps their costs low/neutral. Plans also benefit from additional medical cost savings that come with greater patient adherence to their medication.
- The Patient Assurance Program stands alone in the industry to deliver a new level of relief and predictability to people living with diabetes. But, we're not stopping there. The program serves as a pathway to address other areas where members are exposed to higher out-of-pocket medication costs.

Cigna/Express Scripts is concerned that this legislation will disrupt our ongoing, private-market solution that focuses on the much needed support and care for our diabetes patients. Further, the legislation does nothing to monitor or investigate insulin pricing nor does it place any requirements on the drug manufacturers (the companies ***who set the insulin drug prices***) to keep insulin drug prices affordable. HB 2557 mandates an insulin cap without being a part of an overall program, which means that the full-costs shift negatively to plan sponsors, employers, and individuals through their plan premiums.

Cigna/Express Scripts recommends that the language in the bill apply to a per script insulin cap rather than a higher aggregate cap. Further, the language should include investigations into and the reporting of insulin prices by drug manufacturers. From a premium-dollar perspective, it may also make sense that the language in the bill state that the maximum cap only applies to covered insulin drugs and only apply to the insulin products that are covered on a plan's formulary (not all insulin drugs are covered by every formulary.)

Over the 25 years I have been before this and other committees representing health insurance companies, proponents of many, many mandates have come before the legislature asking for mandated health insurance coverage for certain products, treatments or providers. From nutritional formula and wheelchairs for children, to asymmetrical breast reconstruction for cancer survivors to more mental health coverage. They are all compelling and emotional pleas, but in order to allow the legislature to evaluate each of them in a fiscally responsible manner, KSA 40-2248-49 and 2249a were introduced, debated and passed. These statutes, which have been followed by other proponents in the past, require a cost impact study be done by the proponents before any new mandate may be considered and that any proposed new mandate must first be tested on the state employee health plan in order to carefully consider the cost associated with a proposed mandate before passing it along to the private market.

As you may have heard Cigna was excited to announce its entrance into the individual market and exchange market effective 1-1-20. This legislation is a prescription drug mandate and will potentially add more financial instability to an already limited and fragile market. In addition, the cost of the mandate on the subsidized individuals in the exchange will need to be evaluated and the increased subsidized costs appropriated by the legislature.

We respectfully request the proponents of this bill have a cost impact study completed and reviewed and other changes be made to this legislation before this committee takes action on this bill. Thank you for your consideration.