



**Testimony of New Jersey Appleseed Public Interest Law Center  
with respect to A-2840 (Prescription Drug Pricing Transparency)  
Before the Assembly Health Committee  
(May 24, 2022)**

Chairman Conaway, Vice-Chair Lampitt and members of the Committee:

My name is Renée Steinhagen. I am the Executive Director of New Jersey Appleseed Public Interest Law Center (“NJL”), a nonprofit, nonpartisan legal advocacy center based in Newark that has been active in health care reform issues since its inception in 1998. We are a founding member of the New Jersey for Healthcare Coalition, which has been working to bring guaranteed, high-quality, affordable health care to all New Jersey residents, as well as a member of the NJ Affordable Drugs Coalition, which was organized in the Fall of 2019. As part of both coalitions, NJL assists coalition members primarily with respect to strategy, policy and legal analysis.

Let me be clear, NJL is opposed to A-2840 since we believe it is a distraction from the Legislature’s attempt to address the problem of price drug affordability, and, if enacted, will prove to be a costly bureaucratic exercise that will not move the needle one inch. Information on an excessive array of drugs will be received by the State (including those that do not create an affordability problem for patients), much of it will be meaningless, and the Division will be on a treadmill just trying to properly analyze and aggregate the data it receives. The annual report that will be published will just discuss trends, not provide much insight into the pricing of any particular drug, and the hearing that will be held will not generate genuine stakeholder participation nor be the basis for much needed regulation of the prescription drug industry. Prescription drug affordability has been a long-standing issue for New Jerseyans. Residents have been struggling with this issue for too long and it is vital that we implement policy solutions that will deliver meaningful reform. This bill does not do so.

The problem of excessively priced pharmaceuticals has already been, and continues to be, well documented. Several states and entities have issued reports that have documented price increases, which in and of themselves do nothing to address the issue of patient affordability, or lack thereof. Indeed, seventeen states have passed since 2015 a “transparency” bill such as the bill currently on the table, and 9 of them have either established (5) or are pursuing Prescription Drug Affordability Board legislation (4) similar to that proposed in S329/A1747 concurrently being addressed by this Committee. The experience of these states demonstrates the weakness of

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the legislation being discussed today. The Division of Consumer Affairs unlike a PDAB, will not have the expertise, resources, jurisdiction or authority to undertake a proper analysis of those drugs that are creating problems for patients, hold hearings that will result in real fact-finding, and take any action or make any recommendation as to alternative approaches to lower the cost of those problematic drugs. Moreover, this bill will not establish an independent regulatory authority like the PDAB bill, and will thus not change the framework governing the production and distribution of prescription drugs in this state. In essence, A-2840 maintains the status quo while nominally pretending to address the crisis facing health care consumers in our state.

Lastly, should the Committee decide to advance this bill, we would be remiss if we did not mention that there are still some technical concerns that would make this legislation problematic to enact. For instance, although the amendment has addressed some of the problems with the definitions included in the original bill, others remain untouched. Also the data collected and the data reported on do not always align, and much of the data the bill requires manufacturers to submit is already public. Requesting it again is unnecessary and a waste of resources for both manufacturers and the taxpayers.

Instead, we urge this Committee to reject this bill and instead, to allocate the State's financial resources to the establishment of the PDAB, which has the potential for delivering real, long-term meaningful relief to New Jersey consumers at the pharmacy counter.

Thank you for this opportunity to submit written testimony to the Committee on this ill-advised bill that from our perspective has been introduced and supported by the Administration solely to sabotage the Legislature's serious effort to address the affordability problem of prescription drugs through the establishment of a regulatory body such as the Prescription Drug Affordability Board.

Thank you for your consideration,

Respectfully submitted,

/s/Renée Steinhagen  
Renée Steinhagen

