

March 30th, 2023

Professional Distinction

Personal Dignity

Patient Advocacy

Senator Matt Klein, Chair Commerce and Consumer Protection Committee Minnesota State Senate 95 University Ave W. Saint Paul, Minnesota 55155

Chair Klein and members of the Commerce and Consumer Protection Committee,

With 22,000 members, the Minnesota Nurses Association (MNA) is the leading voice for professional nursing in the State of Minnesota. As leaders in labor and health care, we are a voice for hospital nurses around the state on issues related to the health and well-being of the public.

We would like to thank Chair Klein for leading and including the price gouging and Prescription Drug Affordability Board in SF 2744. This legislation is vital to prevent Minnesotans from being overcharged for necessities and to better regulate the cost of generic prescription drugs.

Strong price gouging laws are vital to protecting consumers and preventing bad actors from deploying predatory practices that harm the public by making it more difficult, or even impossible, for Minnesotans to access essential items and services, such as water, food, shelter, transportation, healthcare, and medicine necessary for their health and well-being. The COVID-19 pandemic demonstrated the lack of consumer safeguards currently in place to protect Minnesotans. Early in the pandemic, nurses faced a PPE shortage fueled by price gouging and a lack of pandemic preparedness that greatly exacerbated the risk of exposure to the virus, including additional dangers to frontline caregivers that could have been avoided.

Other essentials were also impacted: the price of disinfectants and cleaning supplies, hand sanitizer, gloves, medicine, and other goods skyrocketed. These items are crucial to implementing strong public health measures and the lack of access puts Minnesotans' health at greater risk and cost countless dollars during a time of great economic uncertainty. Much of this could have been avoided with stronger price gouging laws in place. This language would strengthen consumer protections in our state and help support the health and well-being of Minnesotans moving forward. As such, the Minnesota Nurses Association wholeheartedly supports the inclusion of this language.

In addition, we believe everyone deserves access to affordable medicine they need to be healthy and well. Today, nearly half (45%) of Minnesotans are worried about prescription drug costs, and one in five Minnesotans (21%) has rationed prescription medicine in recent years due to cost (Healthcare Value Hub, Nov. 2020).

Data shows pharmaceutical companies are continuing to hike up the price of certain drugs without good reason for an increase. Access to affordable medicine can be a matter of life and death and affects all of us. The costs show up in health insurance premiums—prescription drugs account for about 25% of premium costs—we pay a

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public health toll when our community members can't afford medicine they need, and Minnesotans across the state are paying the price with their lives and livelihoods.

The Prescription Drug Affordability Board will be a watchdog with the authority to set fair upper payment limits for out-of-control prescription drug costs, helping Minnesota patients, payers, purchasers, and providers address the increasing challenge of high-cost drugs. The PDAB, along with increased authority to prohibit excessive price gouging of generic prescription drugs, will ensure Minnesotans can afford the medications they need. These solutions were recommended to the Legislature by the Attorney General's Task Force on Lowering Pharmaceutical Drug Costs.

Six states have already enacted similar Prescription Drug Affordability Boards. As Minnesotans continue to be harmed by out-of-control prescription drug costs, the state has the responsibility to take meaningful action, and broad public support to do so. Eighty-seven percent of Minnesotans support this commonsense action. (Health Care Value Hub, Nov. 2020). We urge you to stop price-gouging of necessary items like prescription drugs and pass strong price gouging language into law this session to lower costs and save lives.

Thank you for this important work and we look forward to seeing this vital legislation become Minnesota law.

Thank you,

Shannon M. Cunningham

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Direction of Community and Government Relations

Minnesota Nurses Association