



July 1, 2025

The Honorable Matt Meyer, Governor
State of Delaware
150 Martin Luther King Jr. Blvd. South
Dover, DE 19901

RE: Veto SS1/SJR 7 provision capping drug prices at Medicare negotiated rates

Dear Governor Meyer,

The Ensuring Access through Collaborative Health (EACH) and Patient Inclusion Council (PIC) urge you to veto a provision in Senate Substitute 1 to Senate Joint Resolution 7 (SS1/SJR7) proposing that the state employee health benefit plan “shall pay no higher price for all drugs negotiated by Medicare” as it would limit access to needed drug therapies for current and retired state employees while ensuring no savings to the State.

EACH/PIC is a two-part coalition that unites patient organizations and allied groups (EACH), as well as patients and caregivers (PIC), to advocate for drug affordability policies that benefit patients. We share with you the goals of lowering patient out-of-pocket (OOP) costs and ensuring current and retired State employees can access the medications they need to maintain their health. However, we believe that capping prices at negotiated Medicare payment levels is **ineffective** at lowering patient costs for prescription drugs and could ultimately cause more harm by creating added barriers between patients and their medically necessary treatment.

The EACH/PIC coalition maintains that medical determinations regarding which treatments are right for each patient should be made **solely by the patient and their healthcare providers**, not federal and state bureaucrats. We have strongly opposed upper payment limits (UPLs) or “price controls” being set by Prescription Drug Affordability Boards (PDABs) in four states (including Maryland) as they create a new incentive structure for payers that is likely to compromise patient access to selected medications as those drugs are consequently removed from drug formularies or shifted to higher cost-sharing tiers.

The proposal contained within SS1/SJR 7 would effectively allow the State Employee Benefits Committee (SEBC) to impose the same UPLs or price controls for certain drugs by simply defaulting to the maximum fair price (MFP) negotiated by Medicare. However, MFPs were determined based on costs under the Medicare program, which are not reflective of the very different and diverse patient populations served by the state employee benefit plan in Delaware.

Furthermore, applying the Medicare MFP does not guarantee patients will realize any or all of the savings from the lower list price. There is no mechanism for the Delaware Department of Insurance to ensure that the state employee benefit plan (nor any state-regulated health plans) alter their cost-sharing designs for drug products with Medicare MFPs.

Instead, the price caps proposed in SS1/SJR 7 could threaten patient access to critically needed drug therapies as manufacturers or the state-contracted PBMs can respond by



removing a drug subject to the caps from the formulary offered to current and retired state employees (or imposing higher cost-sharing obligations).

Non-medical switching of medications can have detrimental impacts on patients with rare or chronic disorders who typically endure a life-long journey to identify treatments that work best for their specific condition. These treatments often consist of multiple medications to successfully manage symptoms and/or prevent disease progression and are complex, personalized, and not easily altered. Forcing patients to change or substitute specific drug products based on cost considerations instead of medical need disrupts the continuity of care, resulting in adverse and significantly more costly health outcomes.

For these reasons, we respectfully urge you to reject ineffective and counterproductive proposals like price caps and focus instead on *patient-driven* reforms that remove barriers to care and drive up costs for patients and providers. More effective reforms include measures to make monthly drug costs more predictable for patients and ensuring that negotiated drug rebates and third-party copay assistance are fully-passed on to patients instead of being pocketed by pharmacy benefit managers (PBMs).

Thank you for considering the input of patients. Please feel free to contact me at mark@aiarthritis.org with any questions or additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Hobarck", is positioned above the typed name.

Mark Hobarck, JD, MPA
Director of Public Policy, AiArthritis
Legislative Lead, EACH/PIC Coalition
Person living with Ankylosing Spondylitis

cc: Chief of Staff Vanessa Phillips (vanessa.phillips@delaware.gov)