



Testimony of Anna Doroghazi, AARP Connecticut, in **Support** of:
S.B. 269 – An Act Concerning the Availability of Generic Pharmaceuticals
General Law Committee, January 28, 2021

Senator Maroney, Representative D’Agostino, Senator Fonfara, Representative Gibson, Senator Witkos, Representative Rutigliano, and Members of the General Law Committee:

Prescription drug prices in the United States are among the highest in the world, and for older individuals on fixed incomes, increasing costs can lead to difficult decisions and potentially fatal outcomes. According to an AARP survey conducted in 2019, 80% of older voters take at least one prescription medication on a regular basis, and 72% say they are concerned about the cost of their medications.¹ Generic prescription drugs can offer significant savings not only to individual consumers but to the health systems and government entities that purchase prescription medication. We believe S.B. 269 would make generic drugs more readily available to consumers, and we support its passage.

S.B. 269 would address an anticompetitive practice sometimes referred to as a “pay-for-delay” agreement. A pay-for-delay agreement is an arrangement between a brand name drug manufacturer and a competing generic drug manufacturer in which the generic drug manufacturer agrees to delay entry into the market of its generic drug in exchange for something of value from the brand name drug manufacturer, such as money or a promise of limited legal action. S.B. 269 creates a presumption that patent infringement settlements involving payment and delayed entry of generic drugs into the marketplace are anticompetitive and would allow the state to seek penalties for any violations.

According to the Federal Trade Commission, pay-for-delay agreements have significantly postponed substantial consumer savings from lower generic drug prices, costing consumers \$3.5 billion in higher costs each year.² The price of generic drugs can be as much as 90 percent lower than the price of their brand name counterparts, and getting these drugs into the hands of consumers would save money, improve drug adherence, and could ultimately save lives.

S.B. 269 is nearly identical to legislation that passed with bipartisan support in California the fall of 2019 (A.B. 824). At a time when many issues are polarizing, there is strong bipartisan support for policies that will lower prescription drug prices. Measures such as S.B. 269 are especially popular, with 93% of older voters (regardless of party affiliation) indicating support for proposals that will make it easier for generic drugs to come to market.³

“Pay-for-delay” practices delay the entry of generic drugs to the market, increase costs, and ultimately force consumers to pay more for the medication they need to stay alive and healthy. S.B. 269 would make it more difficult for pharmaceutical companies to engage in this damaging practice, and we support its passage.

Thank you for your consideration.

¹ https://www.aarp.org/content/dam/aarp/research/surveys_statistics/health/2019/likely-voters-prescription-drug-survey-fact-sheet.doi.10.26419-2Fres.00295.001.pdf

² <https://www.ftc.gov/sites/default/files/documents/reports/pay-delay-how-drug-company-pay-offs-cost-consumers-billions-federal-trade-commission-staff-study/100112payfordelayrpt.pdf>

³ *ibid*