COMMITMENT

May 18, 2023

Governor Tim Walz c/o COS Chris Schmitter 130 State Capitol 75 Rev Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155

Dear Governor Tim Walz:

American Commitment and our Commitment to Seniors project dedicated to authentic senior advocacy urge you to veto the provision of SF 2744 that would institute an ill-designed "Prescription Drug Affordability Board" (PDAB) with the authority to set "Upper Payment Limits" (UPLs) for certain prescription drugs in Minnesota. If enacted, a PDAB would lower the number of drugs available to seniors and older Americans in Minnesota.

Price controls always cause shortages and rationing. It is basic economics. In the context of prescription drugs, price controls mean seniors will have less access to cutting-edge medicines. AARP supports price controls because it functions primarily as a marketing and advocacy arm of UnitedHealth. As research on CommitmenttoSeniors.org shows, AARP receives more than triple the annual revenue from UnitedHealth that it collects in membership dues. It cannot, therefore, be considered a voice of seniors.

It is dangerous for Minnesota to serve as <u>a laboratory</u> for left-wing policies like government pricesetting. Ideological fervor created a rush in the legislature to bring this bill to your desk. Stakeholder concerns were ignored in the lawmakers' frenzy to pass this PDAB proposal. The Mayo Clinic even <u>pointed out</u> how quickly the legislature has been rushing significant bills in the healthcare space. The same can be said about the PDAB provision in SF 2744.

The State of Minnesota <u>recently fined CVS \$500 million</u> for improper pharmacy benefit handling. The same leadership at CVS could serve on the state's drug pricing board. This new development should have been considered when shaping the PDAB, and the legislature should reexamine the board's membership.

Again, we strongly urge you to veto the proposed Prescription Drug Affordability Board with the authority to set Upper Payment Limits provision in SF 2744, and any other future attempts to implement price controls on prescription drugs in Minnesota.

Sincerely,

Phil Kerpen

President American Commitment