

**America's Health
Insurance Plans**

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202.778.3200
www.ahip.org



October 16, 2015

Representative Michael Callton
Chair, Health Policy Committee
Michigan House of Representatives
Anderson House Office Building, N-1191
Lansing, MI 48933

Re: House Bill 4437, Concerning Biosimilars

Dear Representative Callton:

I write today on behalf of America's Health Insurance Plans (AHIP) regarding HB 4437, concerning biological products.

AHIP is the national trade association representing the health insurance industry. AHIP's members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. Our members offer a broad range of health insurance products in the commercial marketplace and also have demonstrated a strong commitment to participation in public programs.

The discussion surrounding biological products is one that AHIP has engaged in at both the state and federal levels. We would encourage your support of legislation that refrains from hindering the use of biologics and would not create an unnecessary burden to consumers, prescribers, pharmacists, or insurers.

Given that the Federal Food and Drug Administration (FDA) has a rigorous process for approving biosimilars and is still outlining the process for approving interchangeable biologics, we believe that any additional prescriber notice requirements are unnecessary and undercut the FDA's approval that such drugs are interchangeable due to sound clinical science. We therefore support language that would retain existing state notification requirements and not add new requirements for these categories of drugs.

Additionally, we support current state laws pertaining to generic substitution that ensure patient safety, such as a prescriber notation to "Dispense as Written," appropriate documentation and notice to patient, and record retention of drugs dispensed in the patient's record to apply to biologic substitution.

Biosimilars should be an option for patients because they can help increase access to much-needed therapies while reducing the skyrocketing costs associated with biologic, specialty drugs. Generics are already an option that offers substantial savings over their brand name counterparts.

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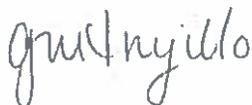
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Biosimilars should be made available in the same manner because they can offer savings over branded biologics. The use of generics, biosimilar, and interchangeable biologic substitution will be especially important in the future when, according to a recent report by CVS Caremark¹, specialty drug spending is expected to quadruple by 2020.

AHIP supports legislation that allows biosimilars and interchangeable biologics to be readily available once approved by the FDA, while reducing unnecessary administrative processes that use precious health care resources and time that is better directed at patient care. We are all looking for solutions that lower the cost of health care and we look forward to continued collaboration in pursuit of this goal.

We appreciate the opportunity to provide comments on this important issue. If you have any questions, please do not hesitate to contact me directly (gtrujillo@ahip.org, 202-778-1149).

Sincerely,



Geralyn M. Trujillo
Regional Director

cc: Members of the House Health Policy Committee
Christine Shearer, Michigan Association of Health Plans

¹ "Insights 2013: Specialty Trend Management, Where to Go Next." Accessible at <http://www.cvshealth.com/sites/default/files/Insights%202013.pdf>