

VIA EMAIL

November 22, 2017

Lieutenant Governor Nancy Wyman
State of Connecticut
Office of the Lieutenant Governor
210 Capitol Avenue - Room 304
Hartford, CT 06106
ltgovernor.wyman@ct.gov

Lieutenant Governor Wyman and members of the Healthcare Cabinet:

On behalf of Boehringer Ingelheim, I submit this testimony in response to the Healthcare Cabinet's consideration of its Workgroup Recommendations at the Cabinet's meeting on November 14, 2017.

Boehringer Ingelheim (BI) is a family-owned, research driven pharmaceutical company committed to the discovery, development, manufacture and marketing of innovative health care products. BI established its headquarters in Ridgefield, Connecticut in 1971.

BI is the State's largest U.S. headquartered biopharmaceutical company with about 2,500 employees in Connecticut. In addition, BI has over 400 direct service providers in Connecticut and purchases \$98 million worth of goods and services annually. We have made about \$600 million in capital investments in Connecticut over the last 11 years. The biopharmaceutical's sector as a whole also has a substantial footprint in Connecticut with about 12,500 jobs directly supported by the sector and another 48,800 jobs outside the sector through partnerships with vendors and suppliers.

BI supports our local community through the Boehringer Ingelheim Cares Foundation. Among other missions, the Foundation provides select medicines to patients who need them, both across the U.S. and around the world. The Foundation's newest program is in partnership with Americares Free Clinics and funds a Health Coach Program for uninsured patients with chronic diseases at clinics in Danbury and Hartford.

BI appreciates the work that went into the recommendations of the four subgroups of the Healthcare Cabinet and the opportunity to share information with some of the workgroups. Specifically, BI valued our participation in parts of the discussion with both the Value Based Pricing and Cost Determination and Cost Containment workgroups.

While we appreciate the charge of the four workgroups we have concerns with some of the recommendations ultimately presented at the recent Cabinet meeting. We believe patients would be

best served with transparency recommendations that take into account all stakeholders and not only a single sector of the healthcare system. We also caution against recommendations that may hamper research and development efforts. While R&D is an expensive endeavor the return on that investment is felt by patients and their families who benefit from innovative medicines. Finally, patient safety must continue to be a priority which is especially relevant to recommendations about importation from Canada.

At BI, our goal is that no patient be denied access to our medicines because of cost. We are committed to doing the right thing for our patients, many of whom suffer from multiple chronic conditions. The pricing of medicines in today's U.S. healthcare environment is complex and understandably frustrating matter for many. Each patient's out-of-pocket expense varies depending on their insurance, specific drug benefits, distribution costs, the specific pharmacy they visit, and many other factors as well. Therefore, requirements for greater transparency on pricing should take a holistic approach and encompass all stakeholders in the supply chain.

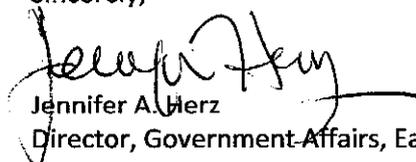
Here are three examples of our commitment to our patients:

- Ensure the percentage of our net price increases on an annual basis, or the amount of money made on each product after negotiations with insurers, PBMs and others, remains in the single-digits
- Increase investments for our patient assistance programs, which provide free medicines to uninsured and underinsured patients
- Industry-leading levels of research and development

BI also continues its commitment to innovative, value based access programs and contracts. For example, we have entered into value based contracts with health plans that tie the level of rebates we will pay for one of our medicines to ensuring that the plan's total healthcare cost for that specific disease state are reduced below certain targets. We are also excited about the other contracts we are pursuing that will tie the net price we can receive from an insurer to how well our product performs clinically.

BI is committed to continuing to work with the Healthcare Cabinet and its workgroups and furthering the important discussion around containing costs within the healthcare system. We thank the Healthcare Cabinet for the opportunity to share our comments.

Sincerely,



Jennifer A. Herz
Director, Government Affairs, East