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**STATEMENT FOR THE RECORD  
BEFORE THE SENATE HEALTH & HUMAN SERVICES COMMITTEE  
ON HB 343: LOWERING PRESCRIPTION DRUG COSTS FOR PATIENTS ACT**

**January 24, 2024  
Rachel Shanklin, Georgia Director  
Small Business Majority**

Thank you, Chairman Watson, Vice Chairwoman Kirkpatrick, and members of the Committee:

My name is Rachel Shanklin and I'm the Georgia Director for Small Business Majority, a small business organization with a mission to empower America's diverse entrepreneurs to build a thriving and equitable economy. I'm pleased to share comments on the importance of lowering prescription drug costs for our state's small business community.

As a representative of Georgia's 1.2 million small businesses, I can tell you that access to affordable healthcare is a top priority for our entrepreneurs, especially since it's often the highest expense for employers outside of payroll. However, lowering prescription costs can ease the financial burden on small businesses that provide health insurance to their employees, enabling them to invest in other areas of their business.

House Bill 343 would help rein in rising drug costs by requiring that pharmacy benefit managers pass 50% of drug rebates on to the patients who are buying the drugs. By lowering prescription drug costs for patients, this legislation will benefit small business owners and solo entrepreneurs in turn by reducing healthcare expenses for themselves and their employees. The legislation can also help lower costs by imposing penalties on pharmacy benefits managers for unfair practices and contributing to a healthier business environment.

As a result of this legislation, small businesses that can offer affordable health insurance plans with lower prescription drug costs may have a competitive advantage in attracting and retaining talented employees who are looking for a robust benefits package. This can be particularly valuable in industries where talent retention is a significant concern.

What's more, when prescription drug costs are lowered due to the 50% rebate pass-through, employees may find it easier to access necessary medications. Improved access to medication can lead to better health outcomes and potentially reduce sick leave and absenteeism among employees, increasing productivity.

Despite what health insurance companies, pharmacy benefit managers and opposition of House Bill 343 claim, this legislation will not drastically increase healthcare premiums. One study demonstrated that, even if health insurance companies were required to share all the negotiated rebates with patients, premiums would increase at most 0.6%, while some patients could save nearly \$1,000 each year on their medicine costs.<sup>1</sup> Fixing this broken part of the system and sharing these savings will give patients immediate relief and help them better afford the medications they desperately need.

This type of legislation is also strongly supported by small businesses. Small Business Majority's scientific opinion polling of small business owners has found that the most popular healthcare policy proposal among respondents is to bring down the price of prescription drugs, with 90% in support.<sup>2</sup> What's more, 93% of small business owners believe that lowering healthcare costs should be a top priority for policymakers.<sup>3</sup>

House Bill 343 presents an opportunity to enact meaningful reform that will put more money back into the pockets of working Georgians and small businesses. Thank you for the opportunity to comment on this important issue today.

Sincerely,

Rachel Shanklin  
Georgia Director | National Women's Entrepreneurship Director  
Small Business Majority

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<sup>1</sup> "Measuring the impact of point of sale rebates on the commercial health insurance market." Milliman. February 1, 2022. <https://www.milliman.com/en/insight/measuring-impact-point-of-sale-rebates-commercial-health-insurance-market-january-2022>.

<sup>2</sup> "Small businesses struggling to access healthcare during COVID-19." Small Business Majority. March 31, 2021. <https://smallbusinessmajority.org/our-research/healthcare/small-businesses-struggling-access-healthcare-during-covid-19-pandemic>.

<sup>3</sup> "Small business and the State of the Union." Small Business Majority. February 7, 2023. <https://smallbusinessmajority.org/our-research/small-business-and-state-union>.