May 27, 2025

Dear Chair Lyons and members of the Senate Committee on Health & Welfare,

On behalf of the Vermont Retail and Grocers Association, I write today in strong support of the proposed amendment to H.266 that would cap the price of outpatient infusion drugs administered in hospital settings at 120 percent of the Average Sales Price.

This proposal is one of the clearest opportunities this session to address the rising cost of health care in a way that directly benefits employers, employees, and the Vermonters they serve. A recent RAND report found that Vermont has the highest hospital prices in the nation for these essential drugs, averaging 500 percent of the Average Sales Price. These medications are not rare or niche. They are critical for treating cancer, autoimmune diseases, and other life-altering conditions. No other service has shown such extreme markup relative to national benchmarks.

We understand that our health care system is under stress. But small and mid-sized businesses across Vermont are also at a breaking point. Health insurance premiums in the small group and individual markets have climbed year after year, with employers asked to shoulder more and more of the cost. These businesses do not have the scale or resources to absorb these costs.

If enacted, this amendment could reduce the next round of rate increases by an estimated four percent. That is not a rounding error. That is real relief for employers and workers alike.

Hospitals play a vital role in our communities. But they should not be able to charge five times the market rate for life-saving medications simply because they can. This amendment is a smart and focused fix that brings fairness and accountability to a broken part of the system.

We urge the Committee to adopt this proposal and take a meaningful step toward restoring affordability and integrity in Vermont's health care system.

Sincerely,

Ed Fox

Ed Fox

Vermont Retail and Grocers Association