



March 5th, 2020

Members of the Minnesota Senate,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to urge you to oppose SF1098. While consumers need, want, and deserve price transparency in the pharmaceutical and other industries, such transparency should be achieved through markets, not mandates. Minnesotans need and deserve meaningful market reforms that enable patients to shop for value as true consumers in a robust, competitive marketplace.

AFP-MN opposes legislation like SF1098 that would: 1) require a private company to publish its proprietary financial information or trade secrets; 2) require manufacturers, insurers, or others to publish or submit to the government, an explanation or justification for a particular product's price, past, present, or future, or its privately negotiated reimbursement rates, or its underlying manufacturing and distribution costs; or 3) establish government price controls or a price-control bureaucracy ("price review board" or "affordability commission").

Compulsory price disclosure is unnecessary in a free market and unethical to the extent that it violates private property rights. More importantly, it paves the way to direct government price controls, which will unavoidably harm patients by inducing needless scarcity and market distortions. Price controls typically culminate in government rationing, which can be dangerous, corrupt, and counterproductive. Even when the government purchases or reimburses for it directly, a product's price can and should be determined by market forces rather than fiat.

In a truly robust and competitive market, price transparency emerges naturally, waste is minimized, and prices tend to be stable and predictable. And contrary to popular myth, markets do work in health care, when we let them. For example:

- In markets for cosmetic and laser-eye surgery, where patients typically pay for care out-of-pocket rather than through insurance, prices continuously fall, outcomes continuously improve, and the provider always quotes the price of the service up front, before it is rendered.
- The cash-based Surgery Center of Oklahoma, which does not take insurance of any kind, publishes on its website the all-inclusive price for every procedure it offers. This has forced local competing hospitals to take similar steps.

For these reasons, we oppose SF1098. Instead, we urge the Senate to enact pro-market reforms that expand access to new options for Minnesota patients, such as telemedicine and direct primary care, and remove barriers to competition, such as certificate-of-need laws and rules that prevent non-physician providers from practicing to their full scope of their license.

Sincerely,

Jason Flohrs  
State Director  
Americans for Prosperity - Minnesota

Through broad-based grassroots outreach, *Americans for Prosperity* (AFP) is driving long-term solutions to the country's biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. AFP recruits and unites activists in 35 states behind a common goal of advancing policies that will help people improve their lives.