

I understand that your committee may be taking up the House Amendment to H.266 next week (capping hospital-administered drugs to 120% of average sales price (ASP)). Honestly, my sense is that this cap may be the most direct and immediate way to lower the sky high insurance premiums for 2026 (e.g., the cap would reduce the BCBS rate request by 4 percentage points—in my 10 years of regulation, I cannot think of another policy change with such an immediate and profound impact on insurance premiums). Also, it is noteworthy that this cap would provide the most meaningful financial relief to Vermont's sickest patients...those suffering from debilitating cancers and other chronic diseases.

As your committee evaluates the amendment, I thought I would share the related work my students did on the topic this semester (in fact, the 120% of ASP cap was one of their main proposals presented during the 5/2 poster fair at the Statehouse!). I attached the research paper they wrote and the testimony they gave in House Healthcare on 5/14. Both outline a justification for the 120% cap.

As you may know, Vermont is a tremendous outlier compared to other states. The Rand 5.1 study revealed that Vermonters pay *by far* the highest commercial prices for hospital-administered drugs in the country. Typically, hospitals charge ~280% of ASP for these physician-administered drugs but, in VT, hospitals are charging over 500% on average, with some cancer and anti-inflammatory infusion drugs priced at 1000-7000% of ASP (see [Owens testimony](#) from last week)! Note, most of our hospitals acquire drugs at below ASP due to 340b discounts which suggests the actual markups are even greater than reported by BCBS or Rand. (As you may have seen, [Whaley and others](#) had an interesting article in the NEJM on hospital-administered drug markups by 340b hospitals, non340b hospitals, and independent practices in BCBS plans - >upshot: 340b hospitals charge insurers the most!)

Anyway, hope you find this information helpful. Always happy to chat---and if my students were still in town I would suggest they share their insights with the committee but sadly, the academic year is over, and they are scattered about...so thought I would send their thoughtful research instead.

Best wishes as you grapple with these difficult decisions! At least the end is in sight...

Thanks for all you do!
Jessica