

Meeting of the Prescription Drug Cost Workgroup

A Project of the National Academy for State Health Policy

Supported by The Laura and John Arnold Foundation and Kaiser Permanente

State	Bill	Status	Category	Summary
AK	175	Pending	Pharmacy Benefit Managers	General regulation and oversight of PBMs, including requirement that PBM specify methods used to establish MAC pricing.
AL	459	Failed	Reimportation	This bill would have prohibited reimportation from Canada.
CA	463	Failed	Transparency	Requires each manufacturer of a prescription drug that has a wholesale acquisition cost of \$10,000 or more annually or per course of treatment, to file a disclosure report on the costs for each qualifying drug to the Office of Statewide Health Planning and Development.
CA	1010	Failed	Transparency	Focus on the cost of most expensive Rx built into the rates developed by insurers.
CA	2711	Pending	Transparency	Relates to government bids and purchasing contracts with manufacturers and suppliers of single source multisource pharmaceuticals.
CA	2095	Pending	Study	Legislative study on brand drugs v biosimilars thru Medi-Cal.
CA	2436	Pending	Transparency	Requires insurers to notify enrollees of the cost of a prescription they obtain under their coverage.
CO	1102	Failed	Transparency	Requires that manufacturers submit a report to a commission for all drugs for which the wholesale acquisition cost is greater than or equal to \$50,000 per year.
CT	309	Enacted	Study	Establishes a legislative task force to study value-based pricing of Rx drugs by January 1, 2017.
DE	284	Enacted	Pharmacy Benefit Managers	This bill requires pharmacy benefit managers who employ "maximum allowable cost," or "MAC" pricing for multi-sourced drugs to follow set standards in composing and updating the list, to provide information on MAC and how it is determined to pharmacies in their networks, and to create an appeal process for a participating pharmacy who believes the MAC has been set in error. This bill will encourage more efficient operation of the prescription drug market by setting ground rules and encouraging transparency, resulting in savings to consumers and protecting pharmacies who are small businesses. Similar laws have been passed in at least 11 states.
GA	473	Failed	Pharmacy Benefit Managers	Would have codified fiduciary responsibility of PBMs to covered entities; had a second reading but died upon adjournment.
GA	1000	Failed	Pharmacy Benefit Managers	General regulation and oversight of PBMs serving the state employee health program population.
GA	1576	Failed	Study	Resolution would have created a legislative committee to study pricing of Rx drugs by Dec 1, 2016.
HI	1681	Failed	Volume Purchasing	Would have established the Hawaii Rx Program, a discount drug program open to all residents of the state. Notion = volume purchasing would yield lower prices for all. Akin to OR/WA statewide prescription drug discount program. Any manufacturer not agreeing to a discount would have its products placed on a PA list.
HI	1682	Failed	Volume Purchasing	Much like HB 1681, but names of non-participating manufacturers would be publicized. Would have established a list of preferred drugs, comprising the lowest cost drugs that were medically efficacious.
IL	559	Pending	Pharmacy Benefit Managers	General regulation and oversight of PBMs; bill provides that the IL insurance department regulates the drug pricing practices of PBMs.
IL	4079	Pending	Pharmacy Benefit Managers	Provides that the Department shall regulate the drug pricing process used by pharmacy benefits managers, and specifies the appeals process for such pricing.
IN	18	Failed	Study	Proposes a legislative study of prescription drug pricing and access to specialty prescription drugs. Died at adjournment.
IN	273	Failed	Study	This study would have specifically included a look at what other states were doing to stem prescription drug costs.
KS	2026	Failed	Pharmacy Benefit Managers	Would have established requirements and fiduciary duties for pharmacy benefits managers under the state health care benefits program.
LA	961	Pending	Transparency	Would require manufacturers to include information re: costs in all detailing information. Failure to do so would constitute unfair trade practice.
MA	1027	Pending	Reimportation	Would direct the Governor to request a waiver from the Secretary of State to allow drug reimportation from Canada. This bill has been pending since last spring.
MA	1048	Failed	Transparency	Would have required a state commission to develop a list of "critical" drugs and require manufacturers of those drugs to report on a set of data/information related to those drugs including the development of pricing for the drug, the cost of the drug to public programs, the current cost of the drug in MA, etc.
MA	1508	Failed	Other	Would have repealed the tax exemption for direct to consumer advertising for Rx manufacturers.
ME	1150	Enacted	Pharmacy Benefit Managers	Requires disclosure of Rx costs to plan sponsors by PBMs.
ME	1422	Failed	Reimportation	Would have allowed personal drug reimportation from Canada.
MI	502	Enacted	Other	Legislates that discounts provided by manufacturers or wholesalers for Rx drugs do not violate MI false claims act.
MN	2430	Failed	Pharmacy Benefit Managers	Bills would have allowed personal reimportation of prescription drugs.
MN	2239	Failed	Reimportation	Would have required Commissioner of Hum Svcs to establish a program to make discounted drugs acquired through the state negotiation of price with and reimportation of drugs from Canada, to all state residents.

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MN	2525	Failed	Transparency	Would require disclosure of certain information by Rx manufacturers related to the ultra-high cost drugs.
MN	2565	Failed	Transparency	Would have required manufacturers to report certain information on an annual basis for drugs costing \$1k or more.
MN	2947	Failed	Transparency	Senate companion bill to H 2525.
MO	2045	Failed	Pharmacy Benefit Managers	Bill would have delineated the process used by PBMs to establish MAC prices. Note that similar bills MO HB 2316 and SB 908 - also failed
MO	2215	Failed	Study	Would have established a leg study committee on Medicaid Rx costs and potential cost saving strategies.
NC	451	Failed	Pharmacy Benefit Managers	Requires pharmacy benefits managers (PBMs) to adjust the cost prices every seven business days, including ""In order to place a prescription drug on the maximum allowable cost (MAC) price list, the drug must be available for purchase by pharmacies from national or regional wholesalers"" and must be listed on FDA's ""Approved Drug Products with Therapeutic Equivalence Evaluations"" or Orange Book listing or have a or ""a similar rating, by a nationally recognized reference.""
NC	839	Failed	Transparency	Cost and price transparency. Requires manufacturers of pharmaceutical drugs to report cost and utilization information. For seven specified categories of drugs (including cancer and all biologics) brand manufacturers would report: (1) Total costs derived in the production of the drug, (2) Average wholesale cost including increases by month over a 5-year period, (3) Total research and development costs paid by the manufacturer, (4) Total administrative costs, marketing and advertising costs for the promotion of the drug, and costs associated with direct to consumer coupons and amount redeemed, (5) Total profit as represented in totaldollars and a percentage of total company profit derived from the sale of the drug, and (6) Total amount of financial assistance the manufacturer has provided through patient prescription assistance programs.
NE	521	Failed	Pharmacy Benefit Managers	Would have established a leg study committee to examine the business practices of PBMs.
NH	1664	Enacted	Pharmacy Benefit Managers	Increases transparency of PBM methods of establishing MAC pricing.
NJ	329	Failed	Pharmacy Benefit Managers	Regulates certain auditing and disclosure practices of pharmacy benefits management companies.
NJ	2353	Pending	Pharmacy Benefit Managers	Prescription Drug Consumer Transparency Act would require disclosure of methods used by PBMs to establish MAC pricing.
NJ	617	Pending	Pharmacy Benefit Managers	Regulates pharmacy benefits management (PBM) companies and requires increased disclosure.
NJ	898	Pending	Pharmacy Benefit Managers	Regulates certain practices of pharmacy benefits management companies.
NJ	958	Pending	Pharmacy Benefit Managers	Regulates certain practices of pharmacy benefits management companies.
NJ	762	Pending	Transparency	Establishes Prescription Drug Review Commission, requires transparency by manufacturers, including production costs to be reported for certain high-cost prescription drugs.
NM	4	Failed	Study	Requests that the legislative finance committee study pharmaceutical prices and make recommendations on how to mitigate the effects of rising pharmaceutical prices.
NM	86	Failed	Transparency	Requests the Legislative Finance Committee to analyze and make recommendations regarding prescription drug costs and possibilities for maximizing the use of discount drug pricing available under Federal Law and leveraging the state's purchasing power, requests the Office of the State Auditor to assess for possible designation a state agency or agencies for a special audit with regard to prescription drug purchasing practices
NY	4971	Pending	Pharmacy Benefit Managers	Prohibits pharmacy benefits managers, HMOs, insurers and health plans from offering incentives to health care providers to switch from one prescription drug to another specific prescription drug.
NY	7150	Pending	Pharmacy Benefit Managers	Enacts provisions governing the conduct of audits of pharmacies by pharmacy benefit managers (PBMs) intended to protect rights of pharmacists,
NY	461	Pending	Price Regulation	Relates to establishing the New York state prescription medication cost containment program.
NY	470	Pending	Price Regulation	Relates to establishing the New York state prescription medication cost containment program.
NY	1999		Price Regulation	Relates to establishing the NYS prescription medication cost containment program.
NY	2291	Pending	Price Regulation	Establishes the prescription drug discount program, establishes that the purpose of the program is to provide access to prescription drugs to participants at a discounted price and to allow for the negotiating of rebates that are exempt from the ""best price"" rule of the federal social security act, provides for the distribution of rebate funds and repeals a certain provision of the public health law relating thereto.
NY	A 2312	Pending	Price Regulation	Broad prescription drug oversight bill which, in part, establishes fiduciary duty of PBMs.
NY	6718	Pending	Price Regulation	Relates to establishing the New York state prescription medication cost containment program.
NY	7022	Pending	Price Regulation	Prohibits price gouging by manufacturers of prescription drugs.

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NY	2288	Pending	Reimportation	Relates to consumer protection from prescription drug re-importation and unlawful practices and enforcement and penalties.
NY	676	Pending	Pharmacy Benefit Managers	Relates to establishing a pharmacy benefit manager contract appeals process.
NY	2623	Pending	Study	Cost and Benefit Analysis of Pharmaceutical Advertising
NY	2625	Pending	Transparency	Requires manufacturers and labelers of prescription drugs dispensed in the State which engage in marketing activities in the State to annually report marketing expenses to the Department of Health, imposes a civil fine for failure to report, eliminates tax deductibility for certain expenses incurred in the advertising of prescription drugs
NY	3780	Pending	Transparency	Requires pharmaceutical drug manufacturers and wholesalers to annually report to the New York department of health, for disclosure to the general public, all of its gifts to health care practitioners that prescribe drugs when such gifts have a value of seventy-five dollars or more.
NY	5338	Pending	Transparency	Enacts the Pharmaceutical Cost Transparency Act of 2015 requiring prescription drug manufacturers to file a report disclosing certain financial information pertaining to prescription drugs which have a wholesale acquisition cost of a certain sum or more annually or per course of treatment.
NY	7686	Pending	Transparency	Relates to prescription drug cost transparency. Requires manufacturers of a brand and generic medication that is made available in New York state to file a report annually on pharmaceutical costs for products with a price of \$1,000 or more for a 30 day supply or an increased prices within a 3-month period of 3 times the CPI (consumer price index) with detailed statistics on each of 15 segments of actual costs including research, clinical trials, production, marketing, direct-to-consumer advertising, prescriber education, beginning in 2017
NY	8265	Pending	Transparency	Enacts the pharmaceutical cost transparency act of 2015 requiring prescription drug manufacturers to file a report disclosing certain financial information pertaining to prescription drugs which have a wholesale acquisition cost of \$10,000 or more annually or per course of treatment.
NY	10026	Pending	Transparency	Requires prescription drug cost transparency. The manufacturer of a pharmaceutical drug that has a wholesale acquisition cost of one thousand dollars for a thirty day supply or cumulative price increase of three times the consumer price index in a 3-month period, shall file a report
OH	127	Pending	Pharmacy Benefit Managers	Regulates pharmacy benefit managers (PBMs), requiring registration with the state and pharmacies' access to ""a current list of the sources used to determine maximum allowable cost (MAC) pricing. The pharmacy benefit manager shall update the pricing information at least every seven days and provide a means by which contracted pharmacies may promptly review pricing updates in a format that is readily available and accessible. Includes penalties for non-compliance.
OH	1505	Failed	Pharmacy Benefit Managers	Authorizes Department of Consumer and Business Services to adopt by rule fees that are calculated to pay costs associated with administrating laws regulating pharmacy benefit managers (PBMs), provides department with power to civilly enforce laws regulating PBMs.
PA	669	Failed	Pharmacy Benefit Managers	Provides for registration of pharmacy benefits managers, provides for maximum allowable cost transparency.
PA	947	Pending	Pharmacy Benefit Managers	Provides for registration of pharmacy benefits managers and for maximum allowable cost transparency
PA	2029	Pending	Price Regulation	Establishes the new Prescription Drug Program within the department of Human Services. "The purposes of the program shall be to: (1) Purchase prescription drugs or reimburse pharmacies for prescription drugs in order to receive discounted prices and rebates. (2) Make prescription drugs available at the lowest possible cost to participants in the program. (3) Maximize the purchasing power of prescription drug consumers in this Commonwealth in order to negotiate the lowest possible prices for the consumers." The department shall automatically enroll all consumers receiving pharmaceuticals through another department or an agency or entity of the Commonwealth into the program.
PA	1042	Pending	Transparency	Cost and price transparency: Amends the state insurance act, provides for pharmaceutical cost transparency. Establishes that for any "prescription drug with an average wholesale price of \$5,000 or more annually or per course of treatment, a health insurance policy or government program providing benefits for prescriptions shall not be required to provide the benefits if the manufacturer of the prescription drug has not filed a report on the drug" that details the costs of production, research and development, clinical trials and regulatory requirements, marketing and other expenses.
PR	2558	Pending	Pharmacy Benefit Managers	Creates the Trade Practices Act to provide transparency within the Pharmacy Benefit Managers

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RI	2467	Enacted	Pharmacy Benefit Managers	Would regulate business relationships among pharmacy services providers, group health insurers, and health service organizations by providing department of health oversight. Pharmacy benefit manager (PBM) are required to disclose prices with respect to multi-source generic pricing and provide updates on prices to pharmacies every 10 days. This act would take effect on September 30, 2016
RI	5174	Failed	Pharmacy Benefit Managers	Would regulate the business relationship between providers of pharmacy services and group health insurers, nonprofit hospital service corporations, nonprofit medical service corporations and health maintenance organizations including establishment of the relationship and the requirements needed to be considered an acceptable pharmacy service provider, termination of the relationship, audits, acceptance or denial of benefits, substitution of drugs with therapeutic equivalents and cost limitations. A pharmacy benefits manager may not place a prescription drug on a maximum allowable cost pricing index ""if the prescription drug does not have 3 or more nationally available and therapeutically equivalent drug substitutes."" (Does not specify biologics or biosimilar products.)
RI	7468	Pending	Price Regulation	Relates to commercial law, relates to general regulatory provisions, relates to unfair sales practices, prohibits price gouging of prescribed drugs or pharmaceuticals in times of market emergency or market shortages and would make violators guilty of a felony and subject to injunctive relief.
RI	2560	Pending	Transparency	Cost and price transparency: Would require the Executive Office of Health and Human Services ("EOHHS") to create a critical prescription drug list where there is a substantial public interest in understanding the development of its pricing. If a prescription drug is placed on the critical prescription drug list, the manufacture of such prescription drug must report certain information to EOHHS. This act would take effect on January 1, 2017.
RI	7839	Pending	Transparency	Cost transparency for high-cost pharmaceuticals: Would require the Executive Office of Health and Human Services ("EOHHS") to create a critical prescription drug list where there is a substantial public interest in understanding the development of its pricing. If a prescription drug is placed on the critical prescription drug list, the manufacture of such prescription drug must report certain information to EOHHS. This act would take effect on January 1, 2017.
SC	849	Enacted	Pharmacy Benefit Managers	Provides procedures governing the maximum allowable cost reimbursements for generic prescription drugs by pharmacy benefit managers, provides necessary definitions, exempts the Department of Health and Human Services in the performance of its duties in administering Medicaid, provides requirements for placing drugs on maximum allowable cost lists by pharmacy benefit managers, relates to contracts between pharmacies and pharmacy benefit managers.
SC	3159	Pending	Pharmacy Benefit Managers	Enacts the Pharmacy Patient Protection Act, provides for the licensure and registration of pharmacy benefit managers, requirements of a certificate of registration and the conditions under which a prescription benefits manager shall operate, requires financial and utilization information to be made available for review, provides requirements for record keeping, provides for pricing guidelines that must be used, prohibits discrimination when contracting on the basis of copayments or days of supply.
TN	1697	Failed	Pharmacy Benefit Managers	Relates to Pharmacy, relates to Pharmacists, allows a pharmacy to designate a pharmacy services administrative organization to file and handle an appeal challenging the maximum allowable cost set for a particular drug or medical product or device on behalf of the pharmacy.
TN	2206	Failed	Transparency	Relates to prescription drug cost transparency, authorizes the department of health to require certain prescription drug manufacturers to disclose price and cost information, authorizes the department of health to set maximum prices for certain prescription drugs. If the department of health determines that a prescription drug price is significantly high, then the department of health may set the maximum allowable price that the manufacturer can charge for that prescription drug" in the state.
TN	2442	Failed	Transparency	Authorizes the Department of Health to "develop a list of critical prescription drugs for which there is a substantial public interest in understanding the development of the drugs' pricing." require certain prescription drug manufacturers to disclose price in-state compared to prices in other countries, and cost of research, production, marketing information. If the department of health determines that a prescription drug price is significantly high, then it "may set the maximum allowable price that the manufacturer can charge for that prescription drug that is sold for use in the state."
VA	487	Pending	Transparency	Relates to prescription drug price transparency, requires every manufacturer of a prescription drug that is made available in the Commonwealth and has a wholesale acquisition price of \$10,000 or more for a single course of treatment to report to the Commissioner no later than July 1 of each year information related to the cost of developing, manufacturing, and marketing the prescription drug.

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VT	216	Enacted	Transparency	Provides for pharmaceutical cost transparency, requiring the state to do an annual identification of up to 15 state purchased prescription drugs "on which the State spends significant health care dollars and for which the wholesale acquisition cost has increased by 50 percent or more over the past five years or by 15 percent or more over the past 12 months, creating a substantial public interest in understanding the development of the drugs' pricing." The state attorney general ""shall require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug"" in a understandable and appropriate format. Requires that rules be adopted requiring certain insurers to provide information about the State Health Benefit Exchange plan's drug formularies, provides further for drug dispensing fees, reimbursement, a related report and out-of-pocket drug limits.
VT	866	Failed	Transparency	Relates to requiring prescription drug manufacturer cost transparency.
WA	2602	Failed	Price Regulation	Addresses prescription drugs and capping consumer costs.
WA	6320	Failed	Price Regulation	It is the minimize consumers' exposure to high cost sharing for prescription drugs by instituting a cap on individual prescription costs. Provides that each health plan offered shall provide a maximum cost sharing for a covered outpatient prescription drug. The copayment, coinsurance, or other cost sharing for an individual prescription for a supply up to 30 days shall not exceed \$100. For a nongrandfathered individual or small group health plan, the annual deductible for outpatient drugs, if any, shall not exceed \$500
WA	6593	Failed	Price Regulation	Pursues prices that are aligned with or lower than the negotiated prices available to the United States Veterans Administration.
WA	6471	Failed	Transparency	Promotes transparency of prescription drug pricing and costs.
WV	322	Failed	Pharmacy Benefit Managers	Regulates pharmacy benefits managers, define terms, provides that pharmacy benefits managers conducting audits for public health programs are not exempt from pharmacy audit restrictions, provides internal review process applicable to disputed findings of pharmacy benefits manager upon audit, provides notice to purchasers, pharmacists and pharmacies of information relating to maximum allowable costs, establishes a process relating to the appropriate use of maximum allowable cost pricing.
WV	2924	Failed	Transparency	Directs the Health Care Authority to establish a council to investigate and recommend to the authority pricing guides for pharmaceuticals that exclude advertising costs.
WY	35	Enacted	Pharmacy Benefit Managers	Relates to regulation and require licensure of pharmacy benefit managers (PBMs), establishes a new licensing fee of \$500 annually, provides requirements for audits conducted by pharmacy benefit managers, provides requirements and restrictions for placing generic drugs on maximum allowable cost lists, protecting the business interests of pharmacies and pharmacists.