

SENATE BILL REPORT

HB 2710

As of February 26, 2020

Title: An act relating to modifying the uses, disclosure, and requirement dates of prescription drug price transparency data.

Brief Description: Modifying the uses, disclosure, and requirement dates of prescription drug price transparency data.

Sponsors: Representatives Robinson, Tarleton, Cody, Tharinger and Ormsby.

Brief History: Passed House: 2/17/20, 56-42.

Committee Activity: Health & Long Term Care: 2/28/20.

Brief Summary of Bill

- Modifies reporting timelines of prescription drug price data for health carriers, drug manufacturers, pharmacy benefit managers, and pharmacy service administration organizations.
- Allows the Health Care Authority to publish certain price increase data submitted by prescription drug manufacturers.
- Allows the Office of the Governor, the Office of the Attorney General, and legislative committees to obtain submitted prescription drug price data through a nondisclosure agreement.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Greg Attanasio (786-7410)

Background: In 2019, legislation was enacted requiring health carriers, prescription drug manufacturers, pharmacy benefit managers (PBMs), and pharmacy service administration organizations (PSAOs) to report certain drug pricing information to the Health Care Authority (HCA), which HCA would then use to publish an annual report. By March 1st of each year, a PBM must provide HCA with information from the previous calendar year regarding all drug discounts, negotiated prices, reimbursements, terms, and fees. Beginning October 1, 2019, and yearly thereafter, health carriers, prescription drug manufacturers, and PSAOs must provide HCA with certain information regarding the costs, expenses, rebates,

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and increases of prescription drugs. In September 2019, HCA announced that drug manufacturers and PBMs were not expected to submit data in 2019, and no fines would be issued.

Beginning October 1, 2019, a drug manufacturer must notify HCA of a qualifying price increase of a covered drug at least 60 days prior to the planned effective date of the increase for drugs. If 60 days' notice is not possible for a price increase of a generic drug, the notice should be made as soon as the increase is known. The submitted data is not subject to public disclosure. By December 1, 2020, HCA must provide recommendations on how to provide advance notice of price increases to purchasers consistent with state and federal law.

HCA must compile the information collected from health carriers, PBMs, drug manufacturers, and PSAOs and prepare an annual report for the Legislature demonstrating the overall impact of drug costs on health care premiums. Beginning January 1, 2021, HCA must publish the report annually on its website. The data in the report must be aggregated and not reveal information specific to individual health carriers, PBMs, PSAOs, prescription drugs, classes of prescription drugs, or manufacturers. The data collected is not subject to public disclosure. Upon the request of a legislator, HCA must provide all data submitted under the act and any analysis prepared by HCA. Any information provided must be kept confidential within the Legislature and may not be publicly released.

Summary of Bill: Reporting and notice requirement timelines for health carriers, drug manufacturers, and PSAOs are moved back to October 1, 2020. Reporting requirements for PBMs begin March 1, 2021.

HCA may make qualifying price increase data submitted by drug manufacturers publicly available on HCA's website.

The data in HCA's report must be aggregated and not reveal information specific to individual health carriers, PBMs, PSAOs, or manufacturers, except in the case of single source drugs. The data received may only be used for enumerated and statutorily authorized purposes.

Upon the request of the Office of the Governor, the Office of the Attorney General, or a committee or subcommittee of the Legislature with jurisdiction over matters relating to drug transparency, HCA must provide all submitted data and any analysis. Any information provided must be kept confidential and may not be publicly released. Recipients of this data must follow all rules adopted by HCA regarding appropriate data use and protection and sign a nondisclosure agreement that includes acknowledgments that the recipient is solely responsible for any liability arising from misuse of the data, that the recipient does not have any conflicts under the Ethics in Public Service Act that would prevent them from accessing or using the data, and that any violations of the nondisclosure agreement may result in losing the right to access or use the data.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.