

SB 1535 -1, -3 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 2/4, 2/11, 2/13

WHAT THE MEASURE DOES:

Requires Department of Consumer and Business Services (DCBS) to investigate methods for collecting information about the rebates and markups used in the pharmaceutical supply chain and report to the Legislative Assembly no later than October 1, 2020. Authorizes DCBS to access, use and disclose data from all payer, all claims database under specified conditions. Modifies increase in price of prescription drug that triggers pharmaceutical manufacturer's obligation to report data under Prescription Drug Price Transparency Act. Requires prescription drug manufacturers to respond promptly to requests by department in administering Prescription Drug Price Transparency Act. Allows department to disclose information about consumers' notifications of increases in prices of prescription drugs but not personally identifiable information about consumers. Provides immunity to department from liability in civil action for certain disclosures of trade secrets. Modifies membership of, charge to and reporting requirements for Task Force on the Fair Pricing of Prescription Drugs. Extends sunset of task force to December 31, 2022. Declares emergency, effective on passage.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

ISSUES DISCUSSED:

- Application of immunity provisions

EFFECT OF AMENDMENT:

-1 Removes immunity protections granted to DCBS. Adds representative of generic drug manufacturers to Task Force membership.

-3 Removes obligation for DCBS to investigate and report on methods for collecting information about pharmaceutical rebates and markups. Removes DCBS to access, use and disclose data from all payer, all claims database. Removes modifications to increase in price of prescription drug that triggers pharmaceutical manufacturer's obligation to report data under Prescription Drug Price Transparency Act. Removes requirement that prescription drug manufacturers to respond promptly to requests by department in administering Prescription Drug Price Transparency Act. Allows department to disclose information about consumers' notifications of increases in prices of prescription drugs but not personally identifiable information about consumers. Removes DCBS immunity protections. Adds representative of generic drug manufacturers to Task Force membership.

BACKGROUND:

House Bill 4005 (2018) established the Joint Interim Task Force On Fair Pricing of Prescription Drugs (Task Force). The Task Force included representation from pharmaceutical manufacturers, insurers, pharmacy benefit managers, prescription drug wholesalers, independent pharmacies, large retail pharmacy chains, hospitals, biopharmaceutical companies, coordinated care organizations, medical providers, and state agencies. Charged with developing a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products, the Task Force delivered its final report in October 2018 with 14 recommendations. Senate Bill 872

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(2019) proposed to implement the recommendations of the Task Force.

Senate Bill 1535 extends the sunset of the Task Force and clarifies its responsibilities.