Drug Price Transparency

(and other disruptions)

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AHIP Coverage

MORE TRANSPARENCY NEEDED TO PREVENT OVERNIGHT PRESCRIPTION PRICE HIKES

Posted on September 22, 2015 by Courtney Jay

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Following

The lack of transparency in how drug prices are set prevents us from finding a sustainable solution ow.ly/RLFs5

RETWEETS
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10:15 AM - 4 Sep 2015

State Drug Price Transparency Bills

- CA: AB 463
- NC: HB 839
- OR: HB 3486
- PA: HB 1042
- VA: HB 1113, SB 487
- MA: S. 1048

and

- NY – Gov's budget

PHARMALOT

With drug costs rising, it's time for pharma companies to open their books

The White House budget proposal includes a provision that would require the drug industry to reveal how much it spends to develop, manufacture, and market new medicines.

http://www.statnews.com/pharmalot/2016/02/16/drug-cost-transparency/

What the Bills Require

- Pharmaceutical manufacturers must report:
  - Cost to manufacture drug
  - Research and clinical trial costs (including amounts coming from government)
  - Cost of acquiring rights to drug
  - Cost of advertising and coupons (separating out ads directed to consumers)
  - Profit on the drug
  - Prices charged in the state, and in other countries

Enforcement

- Report (CA)
- Excluded from state health programs if info not reported (PA)
- Audit (OR)
- Set maximum price of drug in state (MA)

Which drugs?

- “Significant public interest” in understanding pricing (MA)
- Average wholesale price over $10,000 (OR), or $5,000 (PA) for course of treatment
- Specific uses, like cancer, statin, injectables, etc. (NC)

PhRMA

"imposes burdensome, duplicative and costly new reporting requirements"

> Last week, only hours after Obama outlined his plans, the industry trade group issued a statement criticizing the president's budget proposal, arguing that it would stifle innovation, and that it failed to take into account both the cost of R&D failures and the long-term value that medicines provide.

Outlook:

One more thing . . .

AG warns maker on hepatitis drug costs

By Robert Weisman | GLOBE STAFF JANUARY 27, 2016

Massachusetts Attorney General Maura Healey, opening a new front in the push to boost access to life-saving drugs, has warned the country's biggest biotech company that it faces possible legal action unless it lowers the price of two popular hepatitis C medicines.

In a letter to Gilead Sciences Inc., made public Wednesday, the attorney general wrote that the high price of the company's Sovaldi drug, $84,000 for a full 12-week course of treatment, and its Harvoni regimen, at $94,500, "may constitute an unfair trade practice in violation of Massachusetts law" because they are too expensive for many patients.

State challenge to Gilead would hinge on untested legal theory

By Robert Weisman | GLOBE STAFF FEBRUARY 01, 2016

"I don't think there's any general authority under 93A to regulate prices," Gilleran said. "I'm not aware of any state court in the United States that has ruled that overpricing itself is an unfair and deceptive practice." To make that argument, he suggested, Healey's office would have to prove that "general harm to a vulnerable population" — hepatitis C patients — meets that standard.

"There's very little meat on the bones" of a potential Massachusetts suit, Ando said. "The United States is a free-pricing market, and that's why most of the Big Pharmas are there. What this highlights is the drug industry is under pressure from every avenue in the United States right now — the public, the politicians, and now the attorney general. This is the first time we've seen an attorney general use this avenue. But I don't think this goes anywhere."