

Senate Banking and Insurance Committee



SENATOR DON WHITE

Chairman

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TO: Members of the Senate Banking and Insurance Committee

FROM: Senator Don White, Chairman

DATE: June 28, 2017

RE: Pharmaceutical Transparency Amendment

Please see attached amendment to SB637 (White), dealing with pharmaceutical transparency.

Amendment A02377 is the product of stakeholder meetings I conducted with the entire supply chain of prescription drugs including the manufacturers, wholesalers, pharmacy benefit managers, and insurers. This amendment incorporates many of the suggestions offered by the pharmaceutical industry at these meetings and removes provisions of the bill that committee members had expressed concerns with in the past.

The amendment does the following:

- **Removes the Pharmaceutical Transparency Commission** and places its duties to collect and publish data on the Insurance Department.
- **Removes the price cap** for prescription drugs, which makes this purely a transparency bill and contains **no** price control mechanism.
- **Requires pharmaceutical manufacturers to disclose rebates.** Most purchasers of prescription drugs do not pay the list price of the drug. Therefore, if rebates are not disclosed it will distort the actual cost of the drug.
- Requires health insurers to **pass along all rebates** that have been negotiated between themselves and the drug manufacturers to the insurer's customers.
- Prohibits insurers or PBMs from restricting pharmacists from disclosing prescription drug information to a patient that would allow the patient to get the best price for their drugs.

I plan to schedule a meeting to consider this legislation in the near future, but I wanted you to have this information in advance. If you have any questions or concerns, please contact Carlton Logue in my office at clogue@pasen.gov or 7-8724.