DIGEST

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HB 616 Original 2020 Regular Session Stagni

Abstract: Requires disclosure of prescription drug cost information to the La. Department of Health by drug manufacturers and publication by the department of that information.

Present law, R.S. 22:1657.1, requires and provides specifications for a pharmacy benefit manager rebate transparency report. Proposed law retains present law and adds thereto five defined terms and corresponding definitions.

Present law, R.S. 40:2255.1 et seq., provides for disclosure of prescription drug cost information to the La. Board of Pharmacy by drug manufacturers and pharmaceutical marketers. Proposed law retains present law and adds thereto requirements for reporting of prescription drug cost information directly to prescribers and to the La. Department of Health (LDH).

Proposed law requires each drug manufacturer and representative, agent, and employee of a drug manufacturer who engages in any form of prescription drug marketing to provide to a prescriber, in writing, the wholesale acquisition cost of a prescription drug when, in the course of conducting business, the manufacturer, representative, agent, or employee provides information concerning the drug to the prescriber. Stipulates that when providing the required cost information, a manufacturer or representative, agent, or employee of a manufacturer shall also disseminate to the prescriber the names of at least three generic prescription drugs from the same therapeutic class; or if three are not available, as many as are available for prescriptive use.

Proposed law requires that no later than January 15 of each calendar year, a pharmaceutical drug manufacturer shall submit a report to LDH stating the current wholesale acquisition cost information for drugs sold in or into this state by that manufacturer. Requires LDH to develop a webpage to provide to the general public drug price information submitted pursuant to proposed law.

Proposed law provides special reporting requirements relative to drugs with a wholesale acquisition cost of at least $100 for a 30-day supply before the effective date of a price increase described by proposed law. Requires that not later than the 30th day after the effective date of an increase of 40% or more over the preceding three calendar years, or 15% or more in the preceding calendar year, in the wholesale acquisition cost of a drug at or above the cost threshold provided in proposed law, a drug manufacturer shall submit a report to LDH which includes all of the following information:

(1) The name of the drug.

(2) Whether the drug is a brand name or generic.

(3) The effective date of any change or any reportable change in the wholesale acquisition cost price.

(4) Aggregate, company-level research and development costs for the most recent year for which final audit data is available.

(5) The name of each of the manufacturer's prescription drugs approved by the United States Food and Drug Administration in the previous three calendar years.

(6) The name and annual revenues derived from United States sales of each drug manufacturer's prescription drugs that lost patent exclusivity in the United States in the previous three calendar years.

(7) A statement regarding the factor or factors that caused the increase in the wholesale acquisition cost and an explanation of the role of each factor's impact on the cost.

Proposed law requires that the quality and types of information and data that a drug manufacturer submits to LDH, as required by proposed law, be consistent with the quality and types of information and data that it includes in its annual consolidated report on Securities and Exchange Commission Form 10-K or any other public disclosure.

Proposed law requires that no later than the 60th day after receiving a report containing the information listed above, LDH shall publish the report on the webpage provided for in proposed law.

Proposed law requires that the reporting entity certify, under penalty of perjury, the accuracy of all information that it reports pursuant to the requirements of proposed law.

(Amends R.S. 22:1657.1(B) and R.S. 40:2255.1 and 2255.11)