

HOUSE No. 1278

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to prescription drug price transparency.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|-------------------------------|-----------------------|------------------|
| <i>Bradley H. Jones, Jr.</i> | <i>20th Middlesex</i> | <i>2/8/2021</i> |
| <i>Susan Williams Gifford</i> | <i>2nd Plymouth</i> | <i>2/25/2021</i> |
| <i>Angelo L. D'Emilia</i> | <i>8th Plymouth</i> | <i>2/26/2021</i> |
| <i>Paul K. Frost</i> | <i>7th Worcester</i> | <i>3/11/2021</i> |
| <i>Hannah Kane</i> | <i>11th Worcester</i> | <i>3/18/2021</i> |
| <i>Kimberly N. Ferguson</i> | <i>1st Worcester</i> | <i>3/22/2021</i> |
| <i>Mathew J. Muratore</i> | <i>1st Plymouth</i> | <i>3/24/2021</i> |
| <i>Steven S. Howitt</i> | <i>4th Bristol</i> | <i>3/31/2021</i> |

HOUSE No. 1278

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 1278) of Bradley H. Jones, Jr., and others that the Health Policy Commission and health insurers create listings of certain high cost prescription drugs and that the Attorney General require drug manufacturers to provide information to justify increases in costs. Health Care Financing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to prescription drug price transparency.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 6D of the General Laws is hereby amended by inserting after
2 section 18 the following new section:-

3 Section 19. (a)(1) The commission, in consultation with the center, shall create annually a
4 list of 10 drugs on which the commonwealth’s MassHealth program spends significant health
5 care dollars and for which the wholesale acquisition cost has increased by 50 percent or more
6 over the past five years or by 15 percent or more during the previous calendar year, or both. The
7 list shall include at least one generic and one brand name drug and shall indicate each of the
8 drugs on the list that the commission considers specialty tier drugs.

9 (2) Each carrier with more than 5,000 covered lives in the commonwealth for major
10 medical health insurance shall create annually a list of 10 prescription drugs on which its health
11 insurance plans spend significant amounts of their premium dollars and for which the cost to the

12 plans, net of rebates and other price concessions, has increased by 50 percent or more over the
13 past five years or by 15 percent or more during the previous calendar year, or both. The list shall
14 include at least one generic and one brand name drug and shall indicate each of the drugs on the
15 list that the insurer considers specialty tier drugs.

16 (3) The commission and payers shall provide to the office of the attorney general the lists
17 of prescription drugs developed pursuant to this section annually on or before June 1. Each
18 carrier shall provide the office of the attorney general the percentage by which the net cost to its
19 plans increased over the applicable period or periods for each drug on the list, as well as the
20 carrier's total expenditure, net of rebates and other price concessions, for each drug on the list
21 during the most recent calendar year.

22 (b) Of the prescription drugs listed by the commission and the carriers pursuant to
23 subsection (a) of this section, the office of the attorney general shall identify up to 15 drugs, of
24 those appearing on more than one payer's list, on which the greatest amount of money was spent
25 across all payers during the previous calendar year.

26 (1) For the 15 drugs identified by the office of the attorney general pursuant to subsection
27 (b) of this section, the office of the attorney general shall require the manufacturer of each such
28 drug to provide all relevant information and supporting documentation necessary to justify the
29 increase in the net cost of the drug.

30 (2) The attorney general shall provide a report to the legislature on or before December 1
31 of each year based on the information received from manufacturers pursuant to this section.

32 (c) The commission shall promulgate all regulations necessary to implement this section,
33 including, but not limited to, establishing penalties for noncompliance with the requirements set
34 forth in this section.