

HOUSE No. 4489

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, September 18, 2025.

The committee on Financial Services, to whom was referred the petition (accompanied by bill, House, No. 1092) of Christine P. Barber and others relative to prescription medications, reports recommending that the accompanying bill (House, No. 4489) ought to pass.

For the committee,

JAMES M. MURPHY.

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**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act to ensure affordable prescription medications through accountability standards.

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. Section 1 of chapter 6D of the General Laws, as appearing in the
2 2022 Official Edition, is hereby amended by inserting after the definition of “Alternative
3 payment methodologies or methods” the following definition:-

4 “Biosimilar”, a drug that is produced or distributed pursuant to a biologics license
5 application approved under 42 U.S.C. 262(k)(3).

6 SECTION 2. Said chapter 6D, as so appearing, is hereby further amended by adding the
7 following section:-

8 Section 23. (a) For the purposes of this section, “Manufacturer” shall mean an entity that
9 manufactures a pharmaceutical drug.

10 (b) The commission may require a manufacturer specified in subsection (c) to disclose to
11 the commission within a reasonable time information relating to the manufacturer’s pricing of

12 that drug, on a standard reporting form developed by the commission with the input of the
13 manufacturers, which includes, but shall not be limited to, the following:

14 (1) A schedule of the drug's wholesale acquisition cost increases over the previous 5
15 calendar years;

16 (2) The manufacturer's aggregate, company-level research and development and other
17 relevant capital expenditures, including facility construction, for the most recent year for which
18 final audited data are available;

19 (3) A written, narrative description, suitable for public release, of factors that contributed
20 to reported changes in wholesale acquisition cost during the previous 5 calendar years; and

21 (4) Any other information that the manufacturer wishes to provide to the commission.

22 Based on the records furnished, the commission may identify a proposed value for a
23 prescribed drug specified in subsection (c). The Commission may request additional relevant
24 information that it deems necessary.

25 (c) A manufacturer of a drug for which the commission has received a referral from the
26 center under subsection (b) of section 25 of chapter 12C shall comply with the requirements set
27 forth in this section; provided that the commission may select or prioritize a subset of the
28 referred drugs for the commission's review.

29 (d) Records disclosed by a manufacturer under this section shall: (i) be accompanied by
30 an attestation that all information provided is true and correct; (ii) not be public records under
31 section 7 of chapter 4 or chapter 66; and (iii) remain confidential; provided, however, that the
32 commission may produce reports summarizing any findings; provided that any such report shall

33 not be in a form that identifies specific prices charged for or rebate amounts associated with
34 drugs by a manufacturer, or in a manner that is likely to compromise the financial, competitive or
35 proprietary nature of the information.

36 (e) If, after review of any records furnished to the commission under subsection (b), the
37 commission determines that the manufacturer's pricing of the drug is potentially unreasonable or
38 excessive in relation to the commission's proposed value under subsection (b), the commission
39 shall require that the manufacturer provide within 30 days further information related to the
40 pricing of the prescribed drug and the manufacturer's justification for the pricing. In addition to
41 the manufacturer, the commission may identify other relevant parties including but not limited to
42 patients, providers, provider organizations and payers who may provide information to the
43 commission.

44 (f) The commission shall provide to the manufacturer for review and input any
45 information, analyses or reports regarding a particular drug reviewed or relied on by the
46 commission in assessing the proposed value of the drug shall be provided to the manufacturer.
47 The commission shall consider any clarifications or data provided by the manufacturer with
48 respect to its drug. The commission may not rely solely on the analysis or research of an outside
49 third party in reaching its determination regarding the proposed value or the reasonableness of
50 the drug pricing.

51 (g) If the commission relies upon a third party to provide cost-effectiveness analysis or
52 research related to the proposed value, such analysis or research shall also provide, without
53 limitation (i) a description of the methodologies and models used by the third party in its
54 analysis; (ii) any assumptions and potential limitations of research findings in the context of the

55 results; and (iii) outcomes for affected subpopulations that utilize the drug, including but not
56 limited to potential impacts on individuals of minority racial or ethnic groups, and on individuals
57 with specific disabilities or health conditions who regularly utilize the eligible drug.

58 (h) Not later than 60 days after receiving information from the manufacturer, as required
59 under subsections (b) or (e), the commission shall issue a determination on whether the
60 manufacturer's pricing of a drug is unreasonable or excessive in relation to the commission's
61 proposed value of the drug. Following the determination, the commission shall issue
62 recommendations on measures to reduce the cost of the drug and to improve the affordability of
63 the drug for patients. Recommendations may include, but not be limited to: (i) an alternative
64 purchasing plan or value-based payment methodology; (ii) a bulk purchasing program; (iii)
65 changes to co-pay, deductibles, coinsurance or other cost-sharing requirements; or (iv) a
66 reinsurance program to subsidize the cost of the eligible drug. The commission shall make its
67 determination and recommendations public and shall post them on its website and shall provide
68 them to private and public health care payers.

69 (i) If the manufacturer fails to timely comply with the commission's request for records
70 under subsections (b) or (e), or otherwise knowingly obstructs the commission's ability to issue
71 its determination under subsection (h), including, but not limited to, providing incomplete, false
72 or misleading information, the commission may assess a civil penalty to a manufacturer of not
73 more than \$500,000. A civil penalty assessed under this subsection shall be deposited into the
74 Payment Reform Fund established pursuant to section 100 of chapter 194 of the acts of 2011.
75 The commission shall seek to promote compliance with this section and shall only impose a civil
76 penalty on the manufacturer as a last resort.

77 (j) Neither the proposed value, nor the analysis produced via the process to determine a
78 proposed value, is intended to be used by MassHealth, health insurance carriers, managed care
79 organizations, accountable care organizations, hospitals or pharmacies to determine whether a
80 treatment should be approved for an individual patient, whether any individual patient should be
81 subjected to step therapy or other utilization management methodology,

82 (k) The commission shall adopt any written policies, procedures or regulations that the
83 commission determines necessary to implement this section.

84 SECTION 3. Section 11N of chapter 12 of the General Laws, as appearing in the 2022
85 Official Edition, is hereby amended by striking out subsection (a) and inserting in place thereof
86 the following subsection:-

87 (a) The attorney general shall monitor trends in the health care market including, but not
88 limited to, trends in provider organization size and composition, consolidation in the provider
89 market, payer contracting trends, patient access and quality issues in the health care market and
90 prescription drug cost trends. The attorney general may obtain the following information from a
91 private health care payer, public health care payer, pharmaceutical manufacturing company,
92 pharmacy benefit manager, provider or provider organization as any of those terms may be
93 defined in section 1 of chapter 6D: (i) any information that is required to be submitted under
94 sections 8, 9 10 of chapter 12C; (ii) filings, applications and supporting documentation related to
95 any cost and market impact review under section 13 of said chapter 6D; (iii) filings, applications
96 and supporting documentation related to a determination of need application filed under section
97 25C of chapter 111; and (iv) filings, applications and supporting documentation submitted to the
98 federal Centers for Medicare and Medicaid Services or the Office of the Inspector General for

99 any demonstration project. Under section 17 of said chapter 12C and section 8 of said chapter 6D
100 and subject to the limitations stated in those sections, the attorney general may require that any
101 provider, provider organization, pharmaceutical manufacturing company, pharmacy benefit
102 manager, private health care payer or public health care payer produce documents, answer
103 interrogatories and provide testimony under oath related to health care costs and cost trends,
104 pharmaceutical costs, pharmaceutical cost trends, the factors that contribute to cost growth
105 within the commonwealth's health care system and the relationship between provider costs and
106 payer premium rates and the relationship between pharmaceutical drug costs and payer premium
107 rates.

108 SECTION 4. Said chapter 12C, as so appearing, is hereby further amended by striking
109 out section 11, and inserting in place thereof the following section:-

110 Section 11. The center shall ensure the timely reporting of information required under
111 sections 8, 9, 10. The center shall notify payers, providers, provider organizations, pharmacy
112 benefit managers and pharmaceutical manufacturing companies of any applicable reporting
113 deadlines. The center shall notify, in writing, a private health care payer, provider, provider
114 organization, pharmacy benefit manager or pharmaceutical manufacturing company that it has
115 failed to meet a reporting deadline and that failure to respond within 2 weeks of the receipt of the
116 notice may result in penalties. The center may assess a penalty against a private health care
117 payer, provider, provider organization, pharmacy benefit manager or pharmaceutical
118 manufacturing company that fails, without just cause, to provide the requested information
119 within 2 weeks following receipt of the written notice required under this section of not more
120 than \$2,000 per week for each week of delay after the 2-week period following receipt of the

121 written notice. Amounts collected under this section shall be deposited in the Healthcare
122 Payment Reform Fund established in section 100 of chapter 194 of the acts of 2011.

123 SECTION 5. Said chapter 12C of the General Laws, as appearing in the 2022 Official
124 Edition, is hereby further amended by adding the following section:-

125 Section 25. (a) The center shall analyze data on Massachusetts drug utilization and
126 spending, including but not limited to data reported under Sections 10. Annually, the center shall
127 refer drugs to the health policy commission for review under section 8A of chapter 6D that meet
128 any of the following criteria: (i) a current average annual gross cost per utilizer for public and
129 private health care payers in Massachusetts of greater than \$50,000; (ii) a biosimilar drug that
130 has a launch wholesale acquisition cost that is not at least 15 per cent lower than the referenced
131 brand biologic at the time the biosimilar is launched; or (iii) among the 25 drugs determined by
132 the center to have the most impact on health care spending in the most recent year of available
133 data, based upon utilization, price, utilization and price growth, patient cost sharing amounts, net
134 spending and other factors as determined by the center. The center shall provide notice of the
135 referral to the manufacturer of the drug.

136 (b) Not later than May 1, the center shall publish an annual report detailing, at minimum,
137 each drug referred to the health policy commission under subsection (a).

138 (c) The center shall adopt any written policies, procedures or regulations necessary to
139 implement this section.

140 SECTION 6. Section 2 of chapter 176O of the General Laws, as so appearing, is hereby
141 amended by adding the following subsection:-

142 (i) At least annually, a carrier that contracts with a pharmacy benefit manager shall
143 coordinate an audit of the operations of the pharmacy benefit manager to ensure compliance with
144 this chapter and to examine the pricing and rebates applicable to prescription drugs that are
145 provided to the carrier's covered persons.

146 SECTION 7. Said chapter 176O of the General Laws, as appearing in the 2022 Official
147 Edition, is hereby further amended by inserting after section 22 the following section:-

148 Section 22A. Notwithstanding any other general or special law to the contrary, each
149 carrier shall require that a pharmacy benefit manager receive a license from the division under
150 chapter 176O as a condition of contracting with that carrier.