

Bill Summary
2nd Session of the 57th Legislature

Bill No.:	SB 1722
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Author:	Sen. Hicks
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Bill Analysis

SB 1722 requires drug manufacturers to notify the Insurance Department if it is increasing the wholesale acquisition cost of a brand-name drug by more than 20% per wholesale acquisition cost or a generic drug listed at more than \$10.00 by more than 20% per wholesale acquisition cost. The notice must be provided 60 days prior to the increase. Manufacturers are also required to notify the Department 60 days prior to introducing a new drug costing more than \$670.00 per wholesale acquisition cost. The measure also requires manufacturers to report to the Insurance Department all data elements specified in the National Academy for State Health Policy Model Act 30 days prior to the price increase or 60 days prior to a new drug introduction.

Pharmacy benefit managers, insurers, and wholesale drug distributors must report annually to the Insurance Department all data elements specified in the National Academy for State Health Policy Model Act report template within 60 days after receiving notification from the Insurance Department on a price increase or drug introduction. Insurers are also required to report spending on prescription drugs before enrollee cost sharing and spending on the top 25 prescription drugs prescribed in the state. Each reporting entity must register with the Insurance Department no later than January 1, 2021, and shall pay an annual assessment of at least \$100.00. Failure of any to provide a report specified in the measure shall subject them to a civil penalty of up to \$30,000.00 per day. The Department shall publish a report on emerging trends in prescription drug prices no later than July 1, 2021. The report shall not contain individual identifying information.

Prepared by: Kalen Taylor