STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3731 By: West (Josh)

AS INTRODUCED

An Act relating to cost transparency in diabetes treatments; defining terms; requiring annual reporting; specifying report contents; requiring release of information regarding prescription drugs; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3350 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Department" means the State Department of Health;

2. "Manufacturer" means a person who derives, produces, prepares, cultivates, grows, or processes a prescription drug;

3. "Pharmacy" means every store or shop licensed in this state where drugs, controlled substances, poisons, medicines, or chemicals are stored or possessed, or dispensed or sold at retail or displayed for sale at retailor where prescriptions are compounded or dispensed;

4. "Pharmacy benefit manager" means a person or entity that contracts to administer the prescription drug coverage of any insurer or organization that provides health coverage or benefits in accordance with state or federal law; and

5. "Wholesale acquisition cost" means the manufacturer's list price for a prescription drug to wholesalers or direct purchasers in the United States, not including any discounts, rebates, or reductions in price as reported in wholesale price guides or other publications of drug price data.

B. On or before January 1 of each year, the Department shall compile a list of prescription drugs that the Department has determined to be essential in treating diabetes. This list shall include the following:

1. All forms of insulin and biguanides marketed for sale in this state; and

2. The wholesale acquisition cost of each drug on the list.

C. On or before March 1 of each year, the manufacturer of each drug included on the list described in subsection B of this section shall:

1. Prepare and submit to the Department a report which must include the following:

a. the costs of producing the drug,

b. the total administrative expenditures relating to the drug, including marketing and advertising costs,

c. the profit the manufacturer has earned from the drug and the percentage of the manufacturer's total profit for the period during which the manufacturer has marketed the drug for sale that is attributable to the drug,

d. the total amount of financial assistance that the manufacturer has provided through a patient prescription assistance program regarding the drug,

e. the costs associated with coupons provided directly to consumers, and for programs to assist consumers in paying copayments, and the cost to the manufacturer attributable to the redemption of those coupons and the use of those programs,

f. the wholesale acquisition cost of the drug,

g. a history of any increases in the wholesale acquisition cost increases and an explanation for the increase,

h. the aggregate amount of all rebates that the manufacturer has provided to pharmacy benefit managers for the sale of the drug within this state, and

i. any additional information prescribed by the Department as the Department may deem necessary;

D. On or before June 1 of each year, the Department shall analyze the information submitted pursuant to subsection C of this

section, and shall compile the information and post the price of the prescription drug on the Department's website, as well as any opportunities an individual might have to lower the cost of the drug.

E. At least ninety (90) days before increasing the wholesale acquisition cost of a prescription drug included on the list pursuant to subsection B of this section, the manufacturer shall notify the Department of the planned price increase.

SECTION 2. This act shall become effective November 1, 2022.

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