

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill  
3 No. 98 entitled “An act relating to Green Mountain Care Board authority over  
4 prescription drug costs” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. GREEN MOUNTAIN CARE BOARD; PRESCRIPTION DRUG  
8 COST REGULATION PROGRAM; IMPLEMENTATION PLAN

9 (a) The Green Mountain Care Board, in consultation with its own technical  
10 advisory groups and other State agencies, shall explore and create a framework  
11 and methodology for implementing a program to regulate the cost of  
12 prescription drugs for Vermont consumers and Vermont’s health care system.  
13 The Board shall consider options for and likely impacts of regulating the cost  
14 of prescription drugs, including:

15 (1) the experiences of states that have developed prescription drug  
16 affordability boards;

17 (2) the Centers for Medicare and Medicaid Services’ development and  
18 operation of the Medicare Drug Price Negotiation Program;

19 (3) other promising federal and state strategies for lowering prescription  
20 drug costs;

1           (4) the Board’s existing authority to set rates, adopt rules, and establish  
2 technical advisory groups;

3           (5) the likely return on investment of the most promising program  
4 options; and

5           (6) the impact of implementing a program to regulate the costs of  
6 prescription drugs on other State agencies and on the private sector.

7           (b)(1) On or before January 15, 2025, the Board shall provide its  
8 preliminary plan for implementing a program to regulate the cost of  
9 prescription drugs in Vermont, and any proposals for legislative action needed  
10 to implement the program, to the House Committee on Health Care and the  
11 Senate Committee on Health and Welfare.

12           (2) On or before January 15, 2026, the Board shall provide its final plan  
13 for implementing a program to regulate the cost of prescription drugs in  
14 Vermont, along with proposals for addressing any additional identified  
15 legislative needs, to the House Committee on Health Care and the Senate  
16 Committee on Health and Welfare.

17           (c)(1) The following permanent classified positions are created at the Green  
18 Mountain Care Board to lead the exploration, development, and  
19 implementation of the prescription drug regulation program:

20           (A) one Director of Prescription Drug Pricing; and

21           (B) one Policy Analyst Prescription Drug Pricing.

1           (2) The sum of \$245,000.00 is appropriated to the Green Mountain Care  
2           Board from the Evidence-Based Education and Advertising Fund in fiscal year  
3           2025 for the positions created in this subsection.

4           (d)(1) The Green Mountain Care Board shall have legal assistance as  
5           needed from the Office of the Attorney General.

6           (2) The sum of \$250,000.00 is appropriated to the Green Mountain Care  
7           Board from the Evidence-Based Education and Advertising Fund in fiscal year  
8           2025 to contract with experts on prescription drug-related issues to assist the  
9           Board in its work under this section.

10          Sec. 2. 33 V.S.A. § 2004 is amended to read:

11          § 2004. MANUFACTURER FEE

12           (a) Annually, each pharmaceutical manufacturer or labeler of prescription  
13           drugs that are paid for by the Department of Vermont Health Access for  
14           individuals participating in Medicaid, Dr. Dynasaur, or VPharm shall pay a fee  
15           to the Agency of Human Services. The fee shall be 1.75 percent of the  
16           previous calendar year’s prescription drug spending by the Department and  
17           shall be assessed based on manufacturer labeler codes as used in the Medicaid  
18           rebate program.

19           (b) Fees collected under this section shall fund collection and analysis of  
20           information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632  
21           and 4633; analysis of prescription drug data needed by the Office of the

1 Attorney General for enforcement activities; the Vermont Prescription  
2 Monitoring System established in 18 V.S.A. chapter 84A; the evidence-based  
3 education program established in 18 V.S.A. chapter 91, subchapter 2; the  
4 Green Mountain Care Board’s prescription drug cost regulation initiatives;  
5 statewide unused prescription drug disposal initiatives; prevention of  
6 prescription drug misuse, abuse, and diversion; the Substance Misuse  
7 Prevention Oversight and Advisory Council established in 18 V.S.A. § 4803;  
8 treatment of substance use disorder; exploration of nonpharmacological  
9 approaches to pain management; a hospital antimicrobial program for the  
10 purpose of reducing hospital-acquired infections; the purchase and distribution  
11 of fentanyl testing strips; the purchase and distribution of naloxone to  
12 emergency medical services personnel; and any opioid-antagonist education,  
13 training, and distribution program operated by the Department of Health or its  
14 agents. The fees shall be collected in the Evidence-Based Education and  
15 Advertising Fund established in section 2004a of this title.

16 (c) The Secretary of Human Services or designee shall ~~make~~ adopt rules for  
17 the implementation of this section.

18 (d) The Department shall maintain on its website a list of the manufacturers  
19 who have failed to provide timely payment as required under this section.

1       Sec. 3. 33 V.S.A. § 2004a is amended to read:

2       § 2004a. EVIDENCE-BASED EDUCATION AND ADVERTISING FUND

3       (a) The Evidence-Based Education and Advertising Fund is established in  
4       the State Treasury as a special fund to be a source of financing for activities  
5       relating to fund collection and analysis of information on pharmaceutical  
6       marketing activities under 18 V.S.A. §§ 4632 and 4633; for analysis of  
7       prescription drug data needed by the Office of the Attorney General for  
8       enforcement activities; for the Vermont Prescription Monitoring System  
9       established in 18 V.S.A. chapter 84A; for the evidence-based education  
10      program established in 18 V.S.A. chapter 91, subchapter 2; for the Green  
11      Mountain Care Board’s prescription drug cost regulation initiatives; for  
12      statewide unused prescription drug disposal initiatives; for the prevention of  
13      prescription drug misuse, abuse, and diversion; for the Substance Misuse  
14      Prevention Oversight and Advisory Council established in 18 V.S.A. § 4803;  
15      for treatment of substance use disorder; for exploration of nonpharmacological  
16      approaches to pain management; for a hospital antimicrobial program for the  
17      purpose of reducing hospital-acquired infections; for the purchase and  
18      distribution of fentanyl testing strips; for the purchase and distribution of  
19      naloxone to emergency medical services personnel; and for the support of any  
20      opioid-antagonist education, training, and distribution program operated by the

1 Department of Health or its agents. Monies deposited into the Fund shall be  
2 used for the purposes described in this section.

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4 (d) Monies from the Fund to support the Green Mountain Care Board's  
5 prescription drug cost regulation initiatives shall not exceed \$1,000,000.00 in  
6 any one fiscal year.

7 Sec. 4. EFFECTIVE DATE

8 This act shall take effect on July 1, 2024.

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17 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

FOR THE COMMITTEE