

1 H.866 - **Rep. Bancroft proposal**

2 **Sec. 1. FINDINGS**

3 **The General Assembly finds that:**

4 **(1) The costs of prescription drugs have been increasing**
5 **dramatically without any apparent reason.**

6 **(2) Containing health care costs requires containing prescription**
7 **drug costs.**

8 **(3) In order to contain prescription drug costs, it is essential to**
9 **understand the drivers of those costs, as transparency is typically the first**
10 **step toward cost containment.**

11 Sec. 2. 18 V.S.A. § 4635 is added to read:

12 § 4635. PHARMACEUTICAL COST TRANSPARENCY

13 (a) As used in this section:

14 (1) “Manufacturer” shall have the same meaning as “pharmaceutical
15 manufacturer” in section 4631a of this title.

16 (2) “Prescription drug” means a drug as defined in 21 U.S.C. § 321.

17 (b) The Green Mountain Care Board, in collaboration with the Department
18 of Vermont Health Access, shall identify annually **up to 15** prescription drugs
19 on which the State spends significant health care dollars **and for which the**
20 **price has increased by 50 percent or more over the past five years or by 15**
21 **percent or more over the past 12 months,** creating a substantial public

1 interest in understanding the development of the drugs' pricing. The drugs
2 identified shall represent different drug classes, with **five some** of the drugs
3 being generic drugs, **five some** brand-name drugs, and **five some** specialty
4 drugs. **The Board shall provide the list of prescription drugs to the Office**
5 **of the Attorney General.**

6 (c)(1) For each prescription drug identified pursuant to subsection (b) of
7 this section, the **Board Office of the Attorney General** shall require the
8 drug's manufacturer to **report the following information by drug name**
9 **[deleted material] provide a justification for the increase in the price of**
10 **the drug in a format that the Attorney General determines to be**
11 **understandable and appropriate. The manufacturer shall submit all**
12 **relevant information and supporting documentation necessary to justify**
13 **the manufacturer's price increase, including:**

14 **(A) all factors that have contributed to the price increase;**

15 **(B) the percentage of the total price increase attributable to each**
16 **factor; and**

17 **(C) an explanation of the role of each factor in contributing to the**
18 **price increase.**

19 **(2) Nothing in this section shall be construed to restrict the legal**
20 **ability of a prescription drug manufacturer to changes prices to the extent**
21 **permitted under federal law.**

1 (d) The ~~Green Mountain Care Board~~ Attorney General, in consultation
2 with the Department of Vermont Health Access, shall provide a report to the
3 General Assembly on or before December 1 of each year based on the
4 information received from manufacturers pursuant to this section. ~~[deleted~~
5 material] The Board Attorney General shall also post the report on the
6 Board's Office of the Attorney General's website.

7 (e) Information provided to the ~~Green Mountain Care Board Office of~~
8 the Attorney General pursuant to this section is exempt from public
9 inspection and copying under the Public Records Act and shall not be released
10 in a manner that allows for the identification of an individual drug or
11 manufacturer or that is likely to compromise the financial, competitive, or
12 proprietary nature of the information.

13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on passage.