S.92

An act relating to interchangeable biological products

The Senate concurs in the House proposal of amendment with the following proposals of amendment thereto:

First: In Sec. 1, 18 V.S.A. § 4601, in subdivision (5)(A), before the semicolon, by inserting as may be reflected in the U.S. Food and Drug Administration's Lists of Licensed Biological Products with Reference Product Exclusivity and Biosimilarity or Interchangeability Evaluations (the Purple Book)

Second: In Sec. 8, 18 V.S.A. § 4636, in subdivision (a)(1), following "in this State", by inserting for major medical health insurance

Third: In Sec. 9, 18 V.S.A. § 4635, in subdivision (b)(1), by striking out subdivision (C) in its entirety and inserting in lieu thereof a new subdivision (C) to read as follows:

(C)(i) Each health insurer with more than 5,000 covered lives in this State for major medical health insurance shall create annually a list of 10 prescription drugs on which its health insurance plans spend significant amounts of their premium dollars and for which the cost to the plans, net of rebates and other price concessions, has increased by 50 percent or more over the past five years or by 15 percent or more during the previous calendar year, or both, creating a substantial public interest in understanding the development

of the drugs' pricing. The list shall include at least one generic and one brand-name drug and shall indicate each of the drugs on the list that the health insurer considers to be specialty drugs. The health insurer shall rank the drugs on the list from those with the greatest increase in net cost to those with the smallest increase and indicate whether each drug was included on the list based on its cost increase over the past five years or during the previous calendar year, or both.

(ii) Each health insurer creating a list pursuant to subdivision (i) of this subdivision (b)(1)(C) shall provide to the Office of the Attorney General the percentage by which the net cost to its plans increased over the applicable period or periods for each drug on the list, as well as the insurer's total expenditure, net of rebates and other price concessions, for each drug on the list during the most recent calendar year. Information provided to the Office of the Attorney General pursuant to this subdivision (b)(1)(C)(ii) is exempt from public inspection and copying under the Public Records Act and shall not be released.

Fourth: In Sec. 9, 18 V.S.A. § 4635, in subdivision (b)(2), in the first sentence, prior to "this subsection", by inserting subdivisions (1)(A), (B), and (C)(i) of

Fifth: In Sec. 9, 18 V.S.A. § 4635, in subsection (e), prior to "this section", by inserting subdivision (c)(1)(B) of

Sixth: By adding a reader assistance heading and a new section to be Sec. 11a to read as follows:

* * * Working Group on Prescription Drug Cost Savings and Price Transparency * * *

Sec. 11a. WORKING GROUP ON PRESCRIPTION DRUG COST SAVINGS AND PRICE TRANSPARENCY; REPORT

(a) The Secretary of Human Services or designee shall convene a working group comprising one representative each from the Department of Vermont Health Access, the Green Mountain Care Board, the Vermont Board of Pharmacy, the Vermont Association of Chain Drug Stores, the Vermont Pharmacists Association, the Vermont Retail Druggists, Bi-State Primary Care Association, and the Vermont Association of Hospitals and Health Systems to investigate and analyze prescription drug pricing throughout the prescription drug supply chain in order to identify opportunities for savings for Vermont consumers and other payers and for increasing prescription drug price transparency at all levels of the supply chain, including manufacturers, wholesalers, pharmacy benefit managers, health insurers, pharmacies, and consumers.

(b) On or before November 15, 2018, the working group shall provide its findings and recommendations to the House Committee on Health Care and the Senate Committee on Health and Welfare.