

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred Senate Bill  
3 No. 92 entitled “An act relating to interchangeable biological products”  
4 respectfully reports that it has considered the same and recommends that the  
5 Senate concur in the House Proposal of Amendment with further proposals of  
6 amendment as follows:

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

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

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

17 (C)(i) Each health insurer with more than 5,000 covered lives in this  
18 State for major medical health insurance shall create annually a list of 10  
19 prescription drugs on which its health insurance plans spend significant  
20 amounts of their premium dollars and for which the cost to the plans, net of  
21 rebates and other price concessions, has increased by 50 percent or more over

1 the past five years or by 15 percent or more during the previous calendar year,  
2 or both, creating a substantial public interest in understanding the development  
3 of the drugs' pricing. The list shall include at least one generic and one brand-  
4 name drug and shall indicate each of the drugs on the list that the health insurer  
5 considers to be specialty drugs. The health insurer shall rank the drugs on the  
6 list from those with the greatest increase in net cost to those with the smallest  
7 increase and indicate whether each drug was included on the list based on its  
8 cost increase over the past five years or during the previous calendar year, or  
9 both.

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

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

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

3 Sixth: By adding a reader assistance heading and a new section to be Sec.  
4 11a to read as follows:

5 \* \* \* Working Group on Prescription Drug Cost Savings  
6 and Price Transparency \* \* \*

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

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

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

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

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Senator \_\_\_\_\_

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FOR THE COMMITTEE