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S.98

An act relating to Green Mountain Care Board authority over prescription drug costs

It is hereby enacted by the General Assembly of the State of Vermont:

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

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

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

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

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

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

1 (5) the likely return on investment of the most promising program
2 options; and

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

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

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

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

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

19 (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.

3 * * *

4 Sec. 4. EFFECTIVE DATE

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