

Lower Costs for Prescription Drugs

An Act relative to pharmaceutical access, costs and transparency (SB.749)

<u>Lead Sponsor:</u> Sen. Friedman

An Act to ensure prescription drug cost transparency and affordability (HB.945)

Lead sponsor: Rep. Barber

An Act to reduce co-pays for people with chronic conditions (HB.943)

Lead Sponsor: Rep. Barber

Why is legislation needed?

Individuals and families in Massachusetts continue to struggle with high and rising prescription drug costs, cutting into household budgets and negatively impacting health outcomes.

- Nearly one in four residents (22%) indicated they did not fill a prescription, cut pills in half or skipped a dose because they couldn't afford it.
- Prescription drug spending continues to rise, outpacing other health care spending in Massachusetts. Prescription drug spending grew 7.7% in 2020 – more than twice the overall state benchmark of 3.1% – even after taking into account rebates.
- To date, hospitals, insurers, businesses, providers, and consumers have all played a significant role in both ensuring health care coverage for residents and helping bring down costs, while the pharmaceutical industry has not been part of the solution.

Why is this a health equity issue?

- Black and Hispanic/Latinx residents were significantly more likely to cut pills in half, skip
 a dose, or not fill a prescription due to cost (36% and 33%) than white residents (19%) in
 Massachusetts.
- People of Color are <u>disproportionately impacted</u> by chronic conditions such as diabetes, asthma, and hypertension, and those who cannot afford their medication are at greater risk for health complications.

What does this legislation do?

- Eliminates or reduces co-pays for certain medications for three chronic conditions that disproportionately impact communities of color and low-income communities: diabetes, asthma, heart conditions.
 - o Eliminates co-pays for one generic medication for each of the three conditions.
 - Caps co-pays at \$25 for at least one brand name medication for each of the three conditions including insulin.
- Expands the Health Policy Commission's authority to conduct affordability reviews of certain prescription drugs in the private market, building on the successful MassHealth drug pricing policy passed in the FY20 state budget, to hold drug manufactures accountable for addressing the cost of certain high-cost drugs.
- Increases oversight of pharmacy benefit managers through state licensure.
- Authorizes the Center for Health Information and Analysis to collect a drug cost information from pharmaceutical manufacturers and pharmacy benefit managers (PBMs) to help the state better understand cost growth drivers for prescription drugs.