

An Act to ensure affordable prescription medications through accountability standards

<u>Bill Number:</u>	<u>Lead Sponsor:</u>
H.1092	Rep. Barber

This proposal addresses rising prescription drug costs by increasing accountability of pharmaceutical manufacturers by giving the state authority to review high-cost drugs. This builds on the prescription drug <u>law</u> passed in 2024.

What does this legislation do?

- Expands the Health Policy Commission's (HPC) authority to conduct affordability reviews of certain high-cost prescription drugs in the private market and issue recommendations to manufacturers on how to reduce the cost of the drug for patients.
- Authorizes the Center for Health Information and Analysis (CHIA) to refer high-cost drugs to HPC for further review and to issue penalties for noncompliance with data reporting requirements.
- Authorizes the Attorney General's Office (AGO) to require information from pharmaceutical manufacturers and pharmacy benefit managers (PBMs) as part of HPC Cost Trends Hearing and adds prescription drug costs and price trends to the health care trends monitored under current AGO authority.
- Requires insurance carriers to annually audit PBMs and ensure they are licensed in the state.

Why is this legislation needed?

- Rising pharmaceutical costs are impacting state health care costs, as well as individuals and families who are struggling to afford their prescriptions.
- In 2022, pharmacy spending was the largest driver of health care cost growth in MA, accounting for over 20% of the state's total health care spending.
- Nearly 1 in 4 residents (22%) indicated they did not fill a prescription, cut pills in half or skipped a dose because they could not afford it.
- From 2018-2022, the average cost per prescription medication increased, even as overall utilization declined.

Why is this a health equity issue?

- Health care affordability is fundamentally a health equity issue, with Black and Hispanic/Latino residents more likely to report challenges affording care than their white counterparts.
- In MA, <u>75%</u> of Black adults and 68% of Hispanic/Latino adults report rationing a prescription or being uninsured due to cost, compared with 46% of white adults.