



HF 4 (LESCH)

PREVENTING PRESCRIPTION DRUG PRICE GOUGING AND HOLDING PHARMACEUTICAL COMPANIES ACCOUNTABLE

Too many Minnesotans are paying too much for – or going without – lifesaving prescription drugs. Minnesotans shouldn't lose their lives because they can't afford the lifesaving medications they need.

For too long, Republicans have prioritized the interests of big pharmaceutical companies, resulting in out of control costs for families. Democrats are committed to making affordable health care a reality and tackling prescription drug costs. Together, we can hold pharmaceutical companies accountable and work to make prescription drugs more affordable for everyone.

OVERVIEW

HF 4 prohibits price gouging for essential prescription drugs by drug manufacturers and wholesale distributors.

BILL CONTENTS

HF 4 allows the Board of Pharmacy, the Commissioner of Human Services, and health plan companies to notify the Attorney General of certain prescription drug price increases. It also allows the Attorney General to obtain drug pricing information and take action against drug manufacturers and wholesalers related to price increases.

The bill applies to prescription drugs:

- for which exclusive marketing rights have expired
- considered essential due to their efficacy in treating a life-threatening health condition or a chronic health condition that substantially impairs an individual's daily living
- manufactured and marketed for sale in the U.S. by three or fewer manufacturers

Price gouging means an unconscionable increase in the price of a prescription drug that:

- is excessive and not justified by the cost of producing the drug or the cost of appropriate expansion of access to the drug to promote public health
- results in consumers having no meaningful choice about whether to purchase the drug at an excessive price because of:
 - the importance of the drug to the health of the consumer
 - insufficient competition in the market for the drug

BILL CONTENTS (CONTINUED)

The Board, the Commissioner of Human Services, or a health plan may notify the Attorney General when:

- a price increases by 50% or more compared to the previous year (wholesale acquisition cost, or MA or MinnesotaCare cost)
- a 30-day supply of the maximum recommended dosage or a full course of treatment would cost more than \$80 at the drug's wholesale acquisition cost

The Attorney General can require that a manufacturer provide information related to a price increase, including 1) an itemized list of the components of the cost, 2) the circumstances/timing of any increase in materials/manufacturing costs, 3) circumstances/timing of any expenditures the manufacturer made to expand access and improve public health, and 4) other relevant information.