

Subject Diabetes drug cost transparency

Authors Mann and others

Analyst Elisabeth Klarqvist

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Overview

This bill requires the commissioner of health to compile reports of essential prescription drugs used to treat diabetes and on the wholesale acquisition costs for these drugs that have increased above certain amounts in the preceding one-year or two-year periods, and to submit an annual report to the legislature on price increases for essential diabetes drugs. It also requires drug manufacturers to report information on the costs of these drugs and factors that led to increases in their wholesale acquisition costs. Further, it requires pharmacy benefits managers to report information on rebates related to essential diabetes drugs.

Summary

Section	Description
1	<p>Diabetes drug cost transparency. Adds § 62J.84.</p> <p>Subd. 1. Definitions. Defines terms for this section: manufacturer, pharmacy, pharmacy benefit manager, and wholesale acquisition cost.</p> <p>Subd. 2. Commissioner's duties. Requires the commissioner of health to:</p> <ul style="list-style-type: none">• compile a list of essential prescription drugs used to treat diabetes, including insulin and biguanides (a class of drugs used by persons with type 2 diabetes or prediabetes to lower blood sugar by directing the liver to make less insulin, lowering insulin resistance, or helping the intestines absorb less glucose from food) and the wholesale acquisition cost for each drug; and• by March 1 of each year beginning in 2020, compile a list of the wholesale acquisition costs for these drugs which have increased more than the percentage increase in the Consumer Price Index Medical Care Component during the preceding calendar year, or more than twice the percentage increase of the Consumer Price Index Medical Care Component during the preceding two calendar years.

Section	Description
	<p>Subd. 3. Manufacturer's duties. By April 1 of each year beginning in 2020, requires a manufacturer of a listed essential prescription drug used to treat diabetes to provide the commissioner with the listed information related to the cost of producing the drug, financial assistance that is available, costs associated with consumer assistance programs, rebate amounts, and other information deemed necessary by the commissioner. For essential diabetes drugs the wholesale acquisition costs of which have increased more than the percentage increase in the Consumer Price Index Medical Care Component for a one-year period or more than twice the percentage for a two-year period, directs a manufacturer to submit a report to the commissioner describing reasons for the increase.</p>
	<p>Subd. 4. Pharmacy benefits manager duties. By May 1 of each year beginning in 2020, requires a pharmacy benefits manager (PBM) to report to the commissioner on rebates for essential diabetes drugs, the amount of those rebates retained by the pharmacy benefits manager, and the amount of rebates negotiated for purchases of drugs by enrollees of government health care programs. Provides that a PBM is not required to report information for a self-insured health plan, unless the health plan requires the PBM to comply with these reporting requirements.</p>
	<p>Subd. 5. Report. By June 1 of each year, requires the commissioner to analyze the reported information and submit a report to the legislature and the public on the prices of essential diabetes drugs with increased wholesale acquisition costs, the reasons for these increases, the effect of these prices on prescription drug spending in the state, and recommendations for how to lower the cost of essential diabetes drugs while maintaining access to these drugs.</p>



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