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H.B. 6011

PHARMACEUTICAL REPORTING AMENDMENTS

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Paul Ray

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This bill amends the Prescription Drug Price Transparency Act.

Highlighted Provisions:

This bill:

- amends certain reporting requirements in the Prescription Drug Price Transparency Act.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

31A-48-103, as enacted by Laws of Utah 2020, Chapter 198

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-48-103** is amended to read:

31A-48-103. Manufacturer reports -- Insurer report -- Publication by department.

(1) (a) A manufacturer of a drug shall, beginning January 1, 2022, report to the department the information described in Subsection (1)(b) no more than 30 days after the day on

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which an increase to the wholesale acquisition cost of the drug results in an increase to the wholesale acquisition cost of the drug of:

(i) greater than 16% over the preceding two calendar years; or

(ii) greater than 10% over the preceding calendar year.

(b) The manufacturer shall report:

(i) (A) the name of the drug;

(B) the dosage form of the drug; and

(C) the strength of the drug;

(ii) whether the drug is a brand name drug or a generic drug;

(iii) the effective date of the increase in the wholesale acquisition cost of the drug;

(iv) a written description, suitable for public release, of the factors that led to the increase in the wholesale acquisition cost of the drug and the significance of each factor;

(v) the manufacturer's aggregate company-wide research and development costs for the most recent year for which final audit data is available;

(vi) the name of each of the manufacturer's drugs approved by the United States Food and Drug Administration during the preceding three calendar years; and

(vii) the names of drugs manufactured by the manufacturer that lost patent exclusivity in the United States during the preceding three calendar years.

(c) Subsection (1)(a) applies only to a drug with a wholesale acquisition cost of at least $100 for a 30-day supply before the effective date of the increase in the wholesale acquisition cost of the drug.

(d) A manufacturer's obligations under this Subsection (1) are fully satisfied by submission of information and data that a manufacturer includes in the manufacturer's annual consolidated report on Securities and Exchange Commission Form 10-K or any other public disclosure.

(e) The department shall consult with representatives of manufacturers to establish a single, standardized format for reporting information under this section that minimizes the administrative burden of reporting for manufacturers and the state.

(f) Information provided to the department under Subsection (1)(b) may not be released in a manner that:

(i) would allow for the identification of an individual drug, therapeutic class of drugs, or

manufacturer; or

(ii) is likely to compromise the financial, competitive, or proprietary nature of the information.

(2) [~~Before August 1 of each year,~~] On or before August 1, 2021, and on or before August 1 of each year thereafter, an insurer shall report to the department in aggregate the following information for the preceding [~~plan~~] calendar year for health benefit plans offered by the insurer:

(a) for the 25 drugs for which spending by the insurer was the greatest, after adjusting for rebates:

(i) the name of the drug;

(ii) the dosage form of the drug; and

(iii) the strength of the drug;

(b) the percentage increase over the previous year in net spending for all drugs, after adjusting for rebates; and

(c) the percentage of the increase in premiums over the previous year attributable to all drugs; and

(d) the percentage of the increase in premiums over the previous year attributable to specialty drugs.

(3) The department shall publish on the department's website:

(a) no later than 60 days after receiving the information, information reported to the department under Subsection (1); and

(b) no later than [~~November~~] December 1 of each year, information reported to the department under Subsection (2).

(4) The department may not publish information under Subsection (3)(b) in a manner that allows the identity of an insurer to be determined.

(5) The department shall make rules, as necessary, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to promote comparability of information reported to the department under this chapter.

Section 2. **Effective date.**

If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah

Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.