

1107 9th Street, Suite 625 • Sacramento, CA 95814 • (916) 498-9608 • mail@consumercal.org

**September 11, 2017**

**ASEEMBLY FLOOR ALERT**

**SB 17 (Hernandez) – SUPPORT**

The Consumer Federation of California (CFC) supports Senate Bill 17 (Hernandez).

This bill would require health plans to annually report rate information for the 25 most frequently prescribed drugs, the 25 most costly drugs by total annual spending, and the 25 drugs with the highest year-over-year increase in total annual spending. SB 17 requires DMHC and CDI to compile the reported data into a report for the public and legislators that demonstrates the overall impact of drug costs on health care premiums.

SB 17 would also require drug manufacturers to provide specified information related to price increase to California's Office of Statewide Health Planning and Development, such as a description of factors that led to the decision to increase drug’s price, information on the marketing budget for the drug and patient assistance programs, as well as documentation of increased clinical efficacy of the drug, if any. SB 17 will help purchasers and consumers better understand pharmaceutical pricing and give them the tools to fight back against price-gouging.

Drug manufacturers provide minimal justification for the high prescription drug prices that are becoming the norm in California and nationwide. Employers and workers are hit hard by prescription drug price increases, as prescription drugs make up 19% of benefit costs in job-based coverage. However, even that figure is understated because while it includes prescriptions that patients fill at pharmacies, it does not include many of the expensive drugs administered in physicians’ offices or hospitals.

Consumers and policymakers will benefit from the greater transparency that SB 17 will provide to the prescription drug market, and such information will also encourage competitive pricing among drug manufacturers.

CFC urges your “Aye” vote on SB 17.