SECOND REGULAR SESSION

# HOUSE BILL NO. 2052

## 100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SAIN.

4150H.01I DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To amend chapter 192, RSMo, by adding thereto one new section relating to pharmaceutical cost transparency, with a penalty provision.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 192, RSMo, is amended by adding thereto one new section, to be known as section 192.550, to read as follows:

**192.550. 1. As used in this section, the following terms mean:**

**(1) "Pharmaceutical manufacturer", any entity engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription drugs, whether directly or indirectly, by extraction from substances of natural origin, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, or any entity engaged in the packaging, repackaging, labeling, relabeling, or distribution of prescription drugs;**

**(2) "Prescription drug", a drug as defined under 21 U.S.C. Section 321.**

**2. The department of health and senior services shall annually identify up to fifteen prescription drugs from any drug schedule for which the state spends significant health care dollars on the cost of an individual prescription and for which the wholesale acquisition cost has increased by fifty percent or more over the past five years or by fifteen percent or more over the past twelve months.**

**3. The department shall provide to the office of the attorney general the list of prescription drugs developed pursuant to this section and the percentage of the wholesale acquisition cost increase for each drug. The department shall make the information available to the public on the department's website.**

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

**4. For each prescription drug identified under subsection 2 of this section, the office of the attorney general shall require the drug's manufacturer to provide a justification for the increase in the wholesale acquisition cost of the drug in a format that the attorney general determines to be understandable and appropriate. The manufacturer shall submit to the office of the attorney general all relevant information and supporting documentation necessary to justify the manufacturer's wholesale acquisition cost increase, which may include:**

**(1) All factors that have contributed to the wholesale acquisition cost increase;**

**(2) The percentage of the total wholesale acquisition cost increase attributable to each factor; and**

**(3) An explanation of the role of each factor in contributing to the wholesale acquisition cost increase.**

**5. Nothing in this section shall be construed to restrict the legal ability of a prescription drug manufacturer to change prices to the extent permitted under federal or state law.**

**6. The attorney general, in consultation with the department, shall provide a report to the general assembly before December second of each year based on the information received from manufacturers under this section. The attorney general shall post the report on the office of the attorney general's website.**

**7. Information provided to the office of the attorney general pursuant to this section is exempt from public inspection and copying under the provisions of chapter 610 and shall not be released in a manner that allows for the identification of an individual drug or manufacturer, or that is likely to compromise the financial, competitive, or proprietary nature of the information.**

**8. The attorney general may bring an action in the civil division of the Cole County circuit court for injunctive relief, costs, and attorney's fees, and to impose on a manufacturer that fails to provide the information required by this section a civil penalty of no more than ten thousand dollars per violation. In any action brought pursuant to this section, the attorney general shall have the same authority to investigate and to obtain remedies as if the action were brought under the Missouri merchandising practices act, sections 407.010 to 407.130.**

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