

FIRST REGULAR SESSION

# HOUSE BILL NO. 1117

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE AUNE.

2347H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

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

*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 that is 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 on 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 of health and senior services shall provide to the office of the attorney general the list of prescription drugs identified in accordance with this section and the percentage of the wholesale acquisition cost increase for each drug. The department

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.

17 of health and senior services shall make the information available to the public on the  
18 department's website.

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

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

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

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

31       5. Nothing in this section shall be construed to restrict the legal ability of a  
32 pharmaceutical manufacturer to change prices to the extent permitted under federal or  
33 state law.

34       6. The attorney general, in consultation with the department of health and senior  
35 services, shall provide a report to the general assembly on or before December first of each  
36 year based on the information received from pharmaceutical manufacturers under this  
37 section. The attorney general shall post the report on the website of the office of the  
38 attorney general.

39       7. Information provided to the office of the attorney general in accordance with this  
40 section shall be exempt from public inspection and copying under the provisions of chapter  
41 610 and shall not be released in a manner that allows for the identification of an individual  
42 drug or pharmaceutical manufacturer or that is likely to compromise the financial,  
43 competitive, or proprietary nature of the information.

44       8. The attorney general may bring an action in the civil division of the Cole County  
45 Circuit Court for injunctive relief, costs, and attorney's fees and to impose, on a  
46 pharmaceutical manufacturer that fails to provide the information required by this section,  
47 a civil penalty of no more than ten thousand dollars per violation. In any action brought  
48 under this section, the attorney general shall have the same authority to investigate and to  
49 obtain remedies as if the action were brought under sections 407.010 to 407.130.

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