



[RunawayRx](#), a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

The California Senate Committee on Health approved SB 1010 (Hernandez), which would arm state agencies, employers and policymakers with the information they need to tackle rising prescription drug prices. [California Healthline](#) reported on the bill and the much-needed effort to bring transparency and accountability to the pharmaceutical industry.

Key Senate Committee Votes For More Transparency On Drug

Price Hikes

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“The California state Senate’s Committee on Health Wednesday put its stamp of approval on legislation that would oblige prescription drug manufacturers to give advance notice and written justification for significant price increases.

“The bill, authored by Sen. Ed Hernandez (D-West Covina), would require pharmaceutical companies to provide 60 days’ notice for planned price increases of 10 percent or more in any 12-month period. They would have to send the notice to state purchasers — including Medi-Cal and the California Public Employees’ Retirement System — as well as private health plans and some lawmakers...

“Supporters of the bill, including labor unions, the California Association of Health Plans and consumer advocacy groups, said prior notification would give purchasers time to negotiate prices and seek rebates or alternatives.

“The bill doesn’t only target drugmakers. It would also require health plans to disclose the percentage of premiums they spend on prescription drugs.

“Sara Flocks, policy coordinator at the California Labor Federation, a sponsor of the bill, said in an interview that the proposed law is not meant to establish price controls. It simply adds transparency, she said...

“Hernandez noted that under current law, health plans must provide 60 days’ notice when they plan to raise premiums. This bill would bring the drug companies in line with that requirement, he said...

“Several proponents of the bill told lawmakers that drug companies typically give very little justification for their price increases, and that this is particularly troublesome in the case of medications that have been around for decades.”

Read more at <http://bit.ly/1MvTb4W>.

The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway Rx](https://twitter.com/RunawayRx).

“We need to have transparency in the market. Some drugs are lifesaving; the concern I have is when the market is manipulated.”

- Sen. Ed Hernandez