



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

A new [Bloomberg](#) analysis reveals that even with rebates, drug price increases outpace overall inflation significantly. SB 1010, a reasonable approach at transparency of pharmaceutical costs, passed the Assembly Health Committee and will be heard by Assembly Appropriations in August.

Decoding Big Pharma’s Secret Drug Pricing Practices

Robert Langreth, Michael Keller & Christopher Cannon | June 29, 2016

Bloomberg

“The pharmaceutical industry has long said that list prices aren’t a reliable indicator of what Americans pay for prescription drugs because big customers, including health insurers and pharmacy benefit managers, negotiate discounts. But a Bloomberg analysis of 39 medicines with global sales of more than \$1 billion a year showed that 30 of them logged price increases of more than double the rate of inflation from 2009 to 2015, even after estimated discounts were factored in. Only six drugs had price increases in line with or below inflation...

“Take a look at Humira and Enbrel, the bestselling rheumatoid arthritis medications, from AbbVie Inc. and Amgen Inc., respectively...

“In some cases, drugmakers have been offering larger discounts, but not enough to keep up with list price gains. Pfizer increased the discount on its Lyrica drug for fibromyalgia to 33 percent last year, yet list prices have risen 145 percent in six years. The drug has relatively few close competitors, making it harder for insurers to remove from coverage lists...

“Among the drugs in the analysis, 27 had discounted prices that rose at rates of 25 percent or more in six years, well above the consumer price index, which rose 9.5 percent during this period...

“List price increases ‘are accelerating across the board,’ said Jim Yocum, senior vice president for Connecture. His analysis found that brand drug list prices, on average, rose 11.5 percent a year since 2012. ‘Rebates can’t keep up.’”

Read more at <http://www.bloomberg.com/graphics/2016-drug-prices/>.

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/Runaway_Rx).

○ list price ● rebate price ■ 9.5% total inflation, Q4 2009 to Q4 2015

