



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

The Los Angeles Times endorsed Senator Ed Hernandez's SB 1010, which provides transparency on pharmaceutical costs and their impact on consumers. The bill will be heard on the Senate Floor as early as today.

Why are drug prices soaring? Policymakers aren't sure. It's time they find out

Los Angeles Times

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"The growth in U.S. healthcare spending has slowed considerably in recent years, with one notable exception: prescription drugs. **The amount spent on prescriptions has climbed sharply over the last 2 ½ years, driven in part by consecutive years of double-digit price increases. It's not just a handful of blockbuster drugs that are draining wallets; it's higher costs for all categories of drugs, including generic medications that have been on the market for years...**

"Politicians have talked about how important it is to rein in drug costs, but there's no easy way to do so...

"[SB 1010] would require health insurers, which already have to reveal to state regulators detailed projections of hospital and physician costs, to include in those annual reports more information about what they're spending on prescription drugs.

"Before policymakers decide what to do, they need more information about how much is actually being spent on prescription drugs and why costs are rising. State Sen. Ed Hernandez (D-West Covina) has proposed a modest step in that direction."

"...Drug manufacturers, in turn, would be required to give more advance notice and a fuller explanation when they impose double-digit price increases or introduce a drug that costs more than \$10,000 a year.

"[I]t's impossible to tally the costs that patients avoid; the only thing we can measure for certain is the cost of the care they do receive. On that front, the **bill could conceivably tap the brakes on prescription drug price hikes** by spurring health insurers, prescription-drug benefit managers and health plan administrators to find less expensive alternatives to costly meds. The entire industry is under pressure to slow the growth of costs anyway, which is why insurers, policymakers and healthcare regulators are looking for ways to encourage doctors and hospitals to deliver more bang for the buck. **This bill could fill one piece of that puzzle by giving the public a better understanding of which drug costs are rising, and why.**"

Read more at <http://www.latimes.com/opinion/editorials/la-ed-prescription-drugs-20160531-snap-story.html>

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).