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CAHP Applauds Governor Brown's Signing of Landmark Prescription Drug Price Transparency Bill into Law

Signing of SB 17 Marks Pivotal Moment in California's Fight to Address the Prescription Drug Price Crisis Impacting Millions throughout the State

Sacramento, CA – The California Association of Health Plans today applauded California Governor Jerry Brown's signing of the groundbreaking [SB 17](#) (Hernandez) into law. This pivotal moment marks a major victory for patients, healthcare providers and local governments alike in the battle to rein in spiraling prescription drug prices. The Governor's signature on the bill comes after several years of united efforts from a broad coalition of health plans, labor unions, patient advocacy groups, business organizations and dozens of others, with two similarly-targeted efforts stalling in the legislature in 2015 and 2016.

"SB 17 speaks to the needs of all Californians who have felt the strain of nonstop prescription drug price increases," said Charles Bacchi, president and CEO of the California Association of Health Plans. "Pharmaceutical prices have long played an outsized role in driving up the cost of health coverage across the board. SB 17 gives us the tools to address the issue by helping us prepare for price hikes and discouraging needless cost increases."

"Health coverage premiums directly reflect the cost of providing medical care, and prescription drug prices have become one of the main factors driving up these costs. SB 17 will help us understand why, so we can prepare for and address the unrelenting price increases," added Bacchi.

SB 17 will bring pharmaceutical companies' pricing tactics out of the dark and address the growing affordability crisis by:

- ✓ Requiring drug companies to give payers notice of major price increases for the most expensive drugs;
- ✓ Giving payers time to plan ahead for significant price increases on medications;
- ✓ Allowing lawmakers to review historical trends on drug costs to inform solutions; and
- ✓ Providing the public access to basic information on what drives price hikes and drug spending.

The bill, which will serve as a model for the nationwide push to address rising prescription drug prices, came on the tails of truly outrageous price hikes, like Mylan's decision to needlessly up the price of EpiPens by nearly 500 percent and Gilead Sciences' pricing of a lifesaving treatment at \$1,000 per pill. While examples like these are widely known, the pharmaceutical industry has been quietly upping the price of old and new drugs alike. This destructive practice has led prescription drug prices to become the fastest growing portion of the health care dollar.

Support for solutions like SB 17 has reached all-time highs with [nearly 90 percent](#) of Americans in favor of prescription drug price transparency. Widespread [bipartisan support](#) also rolled in as nearly 90 percent of Independents and Republicans and more than 80 percent of Democrats recognized the need for smart policy solutions, like Rx transparency.

As health care affordability and accessibility continue to take the spotlight on the national stage, California's leadership in addressing one of the primary factors threatening affordability has become even more important. SB 17 is a prime example of how the state's leaders and organizations are working together to find solutions to the prescription drug price crisis in the Golden State.

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CAHP is a statewide association representing 49 full-service health plans. Through legislative advocacy, education and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 25 million members they serve. For more information, please visit <http://www.calhealthplans.org/> or call (916) 552-2910.