



For Immediate Release
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ICYMI: OSHPD Releases Final Report of 2019 SB 17 Drug Cost Increases – Reveals Drug Price Increases Continue

Major cost increases for prescription drugs will put a financial strain on patients, consumers

April 24, 2020 – Sacramento, Calif. – The fourth quarterly report of 2019, which provides wholesale drug cost increase information on existing prescription drugs, issued by the [Office of Statewide Health Planning and Development \(OSHPD\)](#) was released to the public yesterday. The report is a result of the passage of Senate Bill 17 (Hernandez), California’s momentous drug price transparency bill, which became law in 2017.

Results in the release once again show substantial increases in pricing of some prescription drugs, some of which did not experience any change or improvement to the product noted by the drug manufacturer. Some key takeaways and examples of these increases include:

- An insomnia treatment drug, Estazolam (Mayne Pharma) increased by 178% to cost over \$300, without any noted change or improvements to the drug.
- An antiarrhythmic drug used to treat irregular heartbeats, Sotalol Hydrochloride (Epic Pharma), increased pricing for three dosages by 150% each without any noted changes or improvements made to the drug. Increases include: 80mg increasing from \$39.18 to \$97.95, 120mg increasing from \$52.26 to \$130.65, and 160mg increasing from \$65.35 to \$163.38.
- A drug used to prevent migraines, Migerogot (Cosette Pharmaceuticals), increased in price by 100% to cost over \$140.
- An osteoporosis treatment, Binosto (Ascend Therapeutics US), increased in price by nearly 50%, rising to cost \$300, without any noted change or improvement made to the drug.

In 2017, California led the nation when it passed the first-of-its-kind prescription drug price transparency legislation, SB 17, designed to hold pharmaceutical manufacturers to similar reporting standards as others in the health care industry. SB 17 ushered in a new era of public

reporting that provides novel transparency to skyrocketing prescription drug prices, which other states have then followed.

Under SB 17, drug manufacturers are required by law to provide OSHPD with information on their pricing when the increase is greater than 16%, as well as drug price increase information that occurred within the previous two calendar years prior to the current year. Drug manufacturers must also provide the prior year's marketing budget for the drug, and information on improved clinical efficacy of the drug. On a quarterly basis, OSHPD publishes this information on its website within 60 days of receipt. Drug manufacturers began providing purchasers with 60-days advance notice of increased drug prices in January 2018. This landmark policy and notice of drug cost increases over time will pave the way for purchasers, plans, and policymakers to make health care more affordable for consumers by:

- Allowing more time for high drug price negotiations
- Creating downward pressure on drug pricing
- Accounting for drug spending to plan budgets accordingly

For more information about SB 17, visit RunawayRx.com.

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