



**For Immediate Release**  
**February 26, 2021**

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## **ICYMI: Latest OSHPD Report Reveals Prescription Drug Manufacturers Continue to Raise Prices**

*Common prescription drugs have risen in price which will financially burden patients, consumers*

**February 26, 2021 - Sacramento, Calif.** — Last week, the [California Office of Statewide Health Planning and Development \(OSHPD\)](#) released its quarterly report on wholesale drug cost increases on existing prescription drugs. OSHPD's quarterly reports are a result of the enactment of Senate Bill 17 (Hernandez), the first-of-its-kind legislation that has brought transparency to drug companies' pricing practices.

The report for Q3 2020 demonstrates that drug manufacturers continue to drastically increase the price of prescription drugs, many of which are increased without any reason cited by the drug manufacturers themselves. Price increases include those on drugs often prescribed for common infections. Some of the most egregious price increases include:

- A material used as a graft for skin wounds, Keramatrix Wound Dressing (Molecular Biologicals Inc.), increased by 300% to now cost nearly \$30,000 - an increase of over \$22,000 - citing only competitive market analysis.
- A popular drug used to treat infections like bronchitis, tonsillitis pneumonia and more, Azithromycin, (American Health Packaging), increased by 40% to now cost nearly \$160.
- A drug used to treat a diabetic condition, Metoclopramide tablets (American Health Packaging), increased by 50% to now cost \$60.
- A drug used to treat moderate to severe pain, oxyMORphone HCl ER (Amneal Pharmaceuticals) increased by \$113 without any cited reasons.

California has been leading the nation in requiring drug price transparency since passing Senate Bill 17 (Hernandez) in 2017. SB 17 was designed to hold prescription drug manufacturers accountable by reporting their prices in a manner similar to others in the healthcare industry. This new era of public reporting brings transparency to consumers like never before, allowing them to read and witness firsthand the skyrocketing price of prescription drugs. Since the passage of SB 17, other states have followed suit and have enacted similar legislation.

According to the OSHPD reports filed year-to-date in 2020, there was equivalent to a 7.7% annual increase in prescription drug prices, while the nation experienced annual inflation of 1.8%

during the same period. Non-Innovator Multiple Source Drugs (generics) experienced the largest overall 3-year median percent increase (32%).

Drug manufacturers are required by law to provide OSHPD with information if the price of their 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, as well as information on improved clinical efficacy of the drug. OSHPD reports this information quarterly 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. Senate Bill 17 and transparency around drug cost increases over time have paved the way for purchasers, plans, and policymakers to make health care more affordable for consumers by:

- Allowing more time for drug price negotiations
- Creating downward pressure on drug pricing by manufacturers
- Accounting for drug spending to appropriately plan budgets

For more information about SB 17, visit [RunawayRx.com](http://RunawayRx.com).

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