

SB 17: A Call for Transparency

California is poised to lead the nation in addressing skyrocketing drug prices with SB 17 (Hernandez). The first-of-its-kind bill would require pharmaceutical companies to give California fair warning on major drug price increases, while also providing lawmakers with much-needed information on why drug prices are so high.

The widely-supported bill is currently awaiting the Governor's signature before becoming law. KQED's April Dembosky has more on the long road that brought California to this milestone moment:

KQED: [Eyes Fixed On California As Governor Ponders Inking Drug Price Transparency Bill](#)

"Insurers, hospitals and health advocates are waiting for Gov. Jerry Brown to deal the drug lobby a rare defeat, by signing legislation that would force pharmaceutical companies to justify big price hikes on drugs in California..."

"The bill would require drug companies to give California 60 days' notice anytime they plan to raise the price of a drug by 16 percent or more over two years. They would also have to explain why the increases are necessary. In addition, health insurers would have to report what percentage of premium increases are caused by drug spending."

"Drugmakers have [spent](#) \$16.8 million on lobbying since January 2015 to kill an array of drug legislation in California, according to data from the Secretary of State's Office. The industry has hired 45 lobbyists or firms to fight the price transparency bill alone. Against the backdrop of this opposition campaign, Brown must decide by Oct. 15 whether to sign or veto the bill."

SB 17: A Call for Transparency

arency

"When they have to justify in California, de facto, they have to justify it to the other 49 states. Other states essentially get to piggyback on the good efforts of California, and hopefully, because they might have difficulty justifying the price increases, everybody's prices around the country will be lower."

- Gerard Anderson, Health Policy Professor at John Hopkins Bloomberg School of Public Health in Baltimore

"This is the second go-round for this drug price bill. Last summer, the same legislation crashed and burned. Its intended regulations were gutted so extensively that Hernandez decided to pull it..."

"He reintroduced his bill in early 2017, and this time political support grew quickly, beyond the usual suspects."

"'It wasn't just labor,' he recalls. 'It was consumer groups, it was health plans. It was the Chambers of Commerce, it was the hospital association.'"

"Hernandez is optimistic the governor will sign SB 17 into law. But he knows nothing's certain."

[Learn More →](#)