



**For Immediate Release**  
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**ICYMI: SB 17 Second Quarter Drug Cost Increase Report Released by OSHPD  
- Reveals a Nearly 26% Median Increase for All Reported Drugs**

*Over Three-Quarters of Drug Manufacturers Provide No Explanation for their Price Increases*

**December 23, 2019, Sacramento, Calif.** – The second major quarterly report providing 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 on December 16<sup>th</sup>. The report is a result of the passage of Senate Bill 17 (Hernandez) - California's landmark drug price transparency bill that became law in 2017.

Results in the report show significant increases in drug prices, but in more than three-quarters of the cases, the manufacturers provided no information to justify these price hikes. Some key takeaways and examples of the highest price hikes include:

- A three-year median increase of more than 25% in wholesale cost for all reports, which is equivalent to an 8% annual increase, while the nation experienced 2% annual inflation for the same period.
- Generic drugs had the largest 3-year median increase at 37.6%.
- Made by Teva Pharmaceuticals, Desmopressin Acetate, which helps to control increased thirst and other conditions, increased in price over three years by more than 900% going from \$56 to \$595.
- Fluoxetine, made by Lannett Company, Inc., and used to treat depressive illness, has increased in price by more than 666%.
- Teva Pharmaceuticals' antibiotic, Clarithromycin, increased in price by more than 90%.
- High blood pressure drug Guanfacine, made by Amneal Pharmaceuticals increased by more than 204%, going from around \$28 to \$87 in just 3 years.
- Another high blood pressure medication, Nifedipine, by Epic Pharma, increased by 399%.

California led the nation when it passed this first-of-its-kind prescription drug price transparency legislation designed to hold pharmaceutical manufacturers to similar reporting standards as others in the health care industry. SB 17 implemented a new era of public reporting on egregious prescription drug price hikes that other states have 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 on the drug that occurred within the previous two calendar years prior to the current year. They must also provide the prior

year's marketing budget for the drug, and information on improved clinical efficacy of the drug. OSHPD publishes this information on its website within 60 days of receipt on a quarterly basis. In January, 2018, drug manufacturers began providing purchasers with 60-days advanced notice of increased drug prices. Advance notice of drug cost increases over time will clear the path 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 prices
- Accounting for drug spending to plan budgets appropriately

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