



For Immediate Release
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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

July 8, 2021 - Sacramento, Calif. — The [California Office of Statewide Health Planning and Development \(OSHPD\)](#) recently released its quarterly report on wholesale drug cost increases on existing prescription drugs. Following the enactment of the trailblazing Senate Bill 17 (Hernandez) in 2017, prescription drug manufacturers are required to report their drug price increases of 16% or more.

The Q4 2020 report demonstrates that drug manufacturers continue – often without any reason cited – to drastically increase the price of prescription drugs. According to the Q4 2020 report over 96% of price increases cited no major improvements to the drug that forced an increase in cost. Price increases include those on drugs often prescribed for common infections and addiction treatment. Some of the most egregious price increases include:

- A prescription drug used to treat pain, Codeine Sulfate (Lannett Company), increased by 200% to now cost nearly \$120 - an increase of over \$75 – while the pharmaceutical acknowledged that there was no change or improvement in the product.
- Famotidine, a stomach ulcer and heartburn drug, increased by over 100% - citing only ‘market conditions.’
- An eye inflammation drug known as Flarex (Eyevance Pharmaceuticals LLC), increased over 30% to \$119 – an increase of nearly \$30 for 5mL – while providing no reason for the increase.
- A drug used to treat alcohol addiction, Acamprosate Calcium (American Health Packaging), increased over 40% to \$119 – an increase of over \$40 – citing nothing but ‘market conditions.’

Thanks to SB 17 (Hernandez), California leads the nation in drug pricing transparency. Now that the public can see by why and by how much drug manufacturers raise prices, we can hold drug manufacturers accountable for price increases without substantial improvements to the drugs. Consumers now have the ability to point to skyrocketing prices of prescription drugs and the excuses made by pharmaceutical companies to increase prices. Since SB 17 was passed, other states have followed California’s lead and enacted similar legislation.

In accordance with SB 17 and other legislation, OSHPD is required to receive information from drug manufacturers when prices increase by more than 16%, in addition to drug price increase information that occurred within the previous two calendar years prior to the current year. Other information, such as the prior year's marketing budget and clinical efficacy of the drug, must also be provided. Within 60 days of receipt, OSHPD reports this information quarterly on its website. Furthermore, 60-day advance notices to purchasers are required by drug manufacturers for all drug price increases since January 2019. Due to the implementation of Senate Bill 17, all Californians have access to information on drug price increases including purchasers, plans, and policymakers that work towards making 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.

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