



HOUSE BILL 16-1102 – Official County Position

Approved by the Eagle County Board of Commissioners on January 19, 2016

House Bill 16-1102: **Drug Production Costs Transparency Requirements**

Sponsor(s): **Ginal (House) / Newell (Senate)**

County Position: **SUPPORT**

Policy Principle: **Supports legislation that promotes quality health care access and improves the affordability of that care**

Description:

House Bill 16-1102 would require drug manufacturers that produce prescription drugs made available in Colorado with costs that exceed \$50,000 per year or per course of treatment to submit a report to the Colorado Commission on Affordable Health Care detailing production costs for the drug. The report would include costs for research and development, clinical and regulatory trials, materials, manufacturing, administration, marketing and advertising. The report would also include data on acquisition costs for patents and licensing, along with any information on costs paid by another entity. In addition, manufacturers of these drugs would need to report historical cost increases, profits attributable to the drug and any financial assistance received through patient prescription assistance programs. The Commission would submit completed reports and recommendations on policy or administrative changes to the General Assembly by December 2016.

County Comments:

Health care costs continue to increase at an alarmingly high rate in Eagle County. These increases threaten healthcare access, affordability and the economic vitality of the community. As an employer, health care costs have skyrocketed for Eagle County in the last two years with total spending now approaching \$10 million in a \$100 million overall budget for all county services. Advocating for health care affordability is a key policy priority in the Eagle County Strategic Plan and essential in “Creating a Better Eagle County for All.”

According to a Kaiser Health Foundation study in 2015, prescription drugs represent 19% of total healthcare spending in Medicaid and employer-sponsored plans. According to data from Express Scripps, prescription drug spending grew 13% last year, which was the highest percentage growth of any sector in the health care industry. In that same period, specialty drug spending increased by 31%. This trajectory brings into question the components driving these increases.

This bill is not about regulation, but rather common-sense transparency aimed at providing information to help maintain an accessible and sustainable health care system for all Coloradans.

Eagle County respectfully requests your YES vote on HB 16-1102.