



Senate Human Services Committee
IN SUPPORT- HB 1032
Prescription Drug Cost Transparency
March 16, 2021
Janelle Moos, AARP North Dakota
jmoos@aarpp.org – (701) 355-3641

Chair Lee and members of the Senate Human Services Committee,

My name is Janelle Moos, Associate State Director of Advocacy for AARP North Dakota. I appreciate your time today and look forward to working with you on an issue that is crucial to our members.

Transparency bills, while by themselves do not reduce prescription drug prices, are ***important building blocks for other legislative efforts***, that can more directly address costs. In addition, transparency laws may provide consumers with advance warning of increases in their drug costs, allowing consumers to discuss lower cost alternatives with their health providers.

Moreover, in order to avoid reporting requirements set forth by transparency laws, manufacturers may limit their price increases to keep them below the reporting threshold. **The principle behind the bills is that increased disclosure around pricing practices will result in more meaningful and actionable information for states and accountability for manufacturers.** Drug pricing transparency legislation will also help payers determine whether a drug price or price increase is justified.

In an article from the National Academy for State Health Policy (NASHP) shows that laws like these provide valuable information- including information about consumer impacts- **that can help the state drive down prescription drug costs.**

For example- the reporting Nevada requires mostly around diabetes drugs shows “Financial assistance to consumers accounted for 14 percent of the manufacturers’ estimated total revenues after rebates, ***although most manufacturers reported offering no financial assistance.***”

Information like that can be gleaned from transparency bills like HB 1032 and similar information can help formulate ideas to directly impact prescription drug costs. Here is the report: <https://www.nashp.org/what-are-we-learning-from-state-reporting-on-drug-pricing/#toggle-id-1>

We believe that the two points should be clarified and added to the bill as possible amendments.

We would like to suggest adding a definition for Wholesale Acquisition Cost (WAC) unit under Section 1 as follows:

“Wholesale acquisition cost (WAC) Unit” is the lowest identifiable quantity of the drug or biological that is dispensed, exclusive of any diluent without reference to volume measures pertaining to liquids. If reporting by drug group as indicated by [the State Agency], it is the total number of WAC units in the drug group.

Next, under section 2, subsection A, at the top of page 3 is unclear because it does not set a timeframe for the cost of the drug. Meaning, it states “a cost of \$70 or more” but does not say whether that \$70 is incurred for one pill, one month’s supply or one year’s supply. We believe the language should be clarified to specify the timeframe.

In addition, we’d like to suggest adding per WAC unit to line 6, acquisition cost of seventy dollars or more per WAC unit for a manufacturer-packaged drug, under Section 2, subsection a on page 3.

Also, and more importantly, we believe an independent board or committee should receive the report and that the report should be presented in a way consumers can understand it. Maybe the State Board of Pharmacy has time to receive this report, sort through it and make it understandable. But we think the Board likely already has enough to deal with. A transparency bill should be about getting information to the general public in a way that interested North Dakotans can not only access it, but understand it. An independent board should review prices and allow for consumer review and input.

We appreciate your consideration of our suggested amendments. Thank you again for your thoughtful work on this importation issue. We urge a favorable recommendation on HB 1032.