

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Health and Human Services

BILL: SB 888

INTRODUCER: Senator Bean

SUBJECT: Prescription Drug Price Transparency

DATE: April 17, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Forbes</u>	<u>Williams</u>	<u>AHS</u>	Pre-meeting
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

I. Summary:

Currently, the Agency for Health Care Administration (AHCA) lists 150 medications on its website for retail drug prices, although current statute only requires 100 medications to be listed. SB 888 requires the AHCA to list on its website retail drug prices, by pharmacy, for a 30-day supply of the 300 most frequently prescribed medications. The bill requires the AHCA to update the prices monthly.

The bill does not impact of state revenues or expenditures.

This bill takes effect upon becoming law.

II. Present Situation:

Currently, s. 408.062, F.S., requires that the AHCA collect quarterly a statistically valid sample of data on the retail prices charged by pharmacies for the 100 most frequently prescribed medicines from any pharmacy licensed by this state as a special study authorized by the Legislature to be performed by the agency quarterly. If the drug is available generically, price data must be reported for both the generic drug and brand-named drug for which the generic drug is the equivalent. The AHCA is required to make available on its Internet website, for each pharmacy, drug prices for a 30-day supply at a standard dose.

AHCA's website implementing s. 408.062, F.S., is MyFloridaRx.¹ The AHCA established the webpage in 2005 in collaboration with the Attorney General's Office. Currently, the AHCA

¹ See <http://www.myfloridarx.com/>

collects and provides retail pricing information² for the 150 most commonly prescribed medications and the website is updated on a monthly basis. The source of the data is the usual and customary price³ as reported to the AHCA on Medicaid fee-for-service pharmacy claims and Medicaid HMO encounters. Visitors to the website can search for pricing information by county, city, or name of the medication they need. The search output displays pharmacy name, address, and telephone number; pharmacy zip code; drug name and strength; most commonly dispensed quantity; and price.⁴

III. Effect of Proposed Changes:

SB 888 enhances price transparency for consumers of prescription medications by increasing the number of commonly prescribed medications for which the retail price is disclosed on the AHCA website to help consumers shop for the lowest price in their area for their prescription drugs.

The bill amends s. 408.062, F.S., to require the AHCA to list on its website retail drug prices, by pharmacy, for a 30-day supply of the 300 most frequently prescribed medications and to update the prices monthly.

The bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

² Prices that reflect what an uninsured consumer would pay.

³ Usual and customary price in this context means the average charge to all other customers during the same calendar quarter for the same drug, quantity, and strength.

⁴ Agency for Health Care Administration, *Senate Bill 888 Analysis* (Feb. 3, 2017) (on file with the Senate Committee on Health Policy Committee).

C. Government Sector Impact:

The bill does not impact state revenues or expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 408.062 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.