



Legislative Council Staff

Research Note

Version: Final

Date: 03/15/2016

Bill Number

House Bill 16-1102

Sponsors

**Representative Ginal
Senators Newell & Roberts**

Short Title

**Drug Production Costs
Transparency Requirements**

Research Analyst

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Status

The bill was postponed indefinitely by the House Health, Insurance, and Environment Committee.

Summary

This bill requires that drug manufacturers submit a report to the Colorado Commission on Affordable Health Care (commission) outlining certain information about drugs made available in Colorado for which the wholesale acquisition cost is \$50,000 or more per year or per course of treatment. The commission is required to develop a reporting form that captures information on:

- research and development costs;
- clinical trials and regulatory costs;
- material, manufacturing, and administration costs attributable to the drug;
- acquisition costs, including patents and licensing;
- marketing and advertising costs;
- costs paid by other entities, including grants, subsidies, or other support;
- history of prior price increases;
- profit attributable to the drug; and
- financial assistance provided through patient prescription assistance programs.

The commission is required to develop the reporting form by June 1, 2016, and manufacturers must submit information to the commission by August 1, 2016. The commission is required to analyze the data and submit a report to the General Assembly by December 1, 2016, outlining the information collected and any recommendations.

Background

The Colorado Commission on Affordable Health Care was created by Senate Bill 14-187 to study the drivers of health care costs and evidence-based cost containment strategies, and make recommendations for action. The General Assembly provided a one-time appropriation of \$400,000 to fund the work of the commission, with this funding continuously appropriated for use by the commission during its term of operation. The 12 members of the commission serve without compensation but may be reimbursed for expenses. The commission is required to provide annual reports in November 2015 and 2016, and a final report by June 30, 2017. The commission is scheduled to repeal on July 1, 2017.

House Action

House Health, Insurance, and Environment Committee (February 18, 2016). At the hearing, representatives from America's Health Insurance Plans, Colorado Association of Health Plans, Colorado Center on Law and Policy, Colorado Consumer Health Initiative, Colorado Senior Lobby, Colorado Wins, Healthier Colorado, Kaiser Permanente, National Federation of Independent Business, Small Business Majority, and United Food and Commercial Workers Union Local 7 and one private citizen testified in support of the bill. Representatives from the Colorado Commission on Affordable Health Care testified in a neutral capacity on the bill. Representatives of the Colorado Bioscience Association, Liver Health Connection, Pharma, and Pfizer and two private citizens testified in opposition to the bill. The bill was laid over for action to a later date.

House Health, Insurance, and Environment Committee (March 10, 2016). The committee postponed the bill indefinitely.

Relevant Research

- 2015 Report to the Colorado General Assembly and Colorado Governor, Colorado Commission on Affordable Health Care, November 13, 2015. <http://1.usa.gov/1QUKFMJ>