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Date: (Filing No. S-)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to S.P. 262, L.D. 675, “An Act To Protect Maine Consumers from Unsupported Price Increases on Prescription Medicines by Creating an Independent Review Process”

Amend the bill by striking out the title and substituting the following:

'Resolve, To Direct the Maine Health Data Organization To Identify Prescription Drugs with Unsupported Price Increases in the State'

Amend the bill by striking out everything after the title and inserting the following:

'Sec. 1. Identification of prescription drugs with unsupported price increases. Resolved: That the Maine Health Data Organization shall identify prescription drugs that had an unsupported price increase during 2020 and, to the extent information is available, 2021 and the manufacturers of those drugs. For the purposes of this resolve, "unsupported price increase" means an increase in price for a prescription drug for which there was no, or inadequate, new clinical evidence to support the price increase, as demonstrated by prescription drug data collected annually by the Maine Health Data Organization and published in the organization's annual report required by the Maine Revised Statutes, Title 22, section 8736, if the price increase met the notification requirements in Title 22, section 8732 as determined by analyses of prescription drugs prepared annually by a national drug pricing database. The Maine Health Data Organization shall identify the prescription drugs with an unsupported price increase from among the drugs with price increases that have met the notification requirements of Title 22, section 8732 by:

1. Reviewing the report regarding prescription drug pricing as required by Title 22, section 8736 and determining which drugs had price increases greater than the medical Consumer Price Index plus 2%;
2. Determining which drugs under subsection 1 had the largest net price increases in years for which information is available;

COMMITTEE AMENDMENT

1 3. Considering manufacturer data regarding any factors or reasoning in the price
2 increases for the manufacturer's drugs in years for which information is available;

3 4. Reviewing all relevant clinical literature regarding the drugs under consideration;
4 and

5 5. Finalizing a list of 12 or fewer of the drugs with unsupported price increases under
6 this section.

7 **Sec. 2. Additional information required. Resolved:** That, in addition to the
8 identification of the drugs having an unsupported price increase and the manufacturers of
9 those drugs, the Maine Health Data Organization shall determine the following for a
10 prescription drug manufacturer of each prescription drug identified as having an
11 unsupported price increase:

12 1. An accounting of all revenues generated in this State from the sale of a drug with
13 an unsupported price increase, comparing the sales in 2019 before the unsupported price
14 increase to the sales in this State in 2020 and, to the extent information is available, 2021,
15 during which the unsupported price increase occurred;

16 2. An itemization of the components of the cost of producing the drug;

17 3. Information identifying the circumstances and timing of any increase in materials
18 or manufacturing costs that caused any increase during 2020 or 2021 in the price of the
19 drug; and

20 4. Any other information that the organization or the prescription drug manufacturer
21 believes to be pertinent to a determination of whether an unsupported price increase has
22 occurred.

23 **Sec. 3. Report. Resolved:** That, by March 1, 2022, the Maine Health Data
24 Organization shall provide a report to the Joint Standing Committee on Health Coverage,
25 Insurance and Financial Services with the information required under this resolve. The
26 Joint Standing Committee on Health Coverage, Insurance and Financial Services may
27 introduce legislation on the basis of the report during the Second Regular Session of the
28 130th Legislature.'

29 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
30 number to read consecutively.

31 SUMMARY

32 This amendment replaces the bill and with a resolve. The amendment directs the Maine
33 Health Data Organization to identify the prescription drugs that have had an unsupported
34 price increase in 2021 and the manufacturers of those drugs. The amendment defines an
35 unsupported price increase as an increase in price for a prescription drug for which there
36 was no, or inadequate, new clinical evidence to support the price increase, as demonstrated
37 by prescription drug data collected annually by the Maine Health Data Organization and
38 determined by analyses of available national drug pricing data pursuant to certain criteria.
39 In addition to identifying those drugs and manufacturers of those drugs having an
40 unsupported price increase, the amendment requires the Maine Health Data Organization
41 to provide certain information, including all revenues generated by the manufacturer from
42 the sales in Maine of those drugs having an unsupported price increase, an itemization of

1 the components of the costs of producing those drugs, information identifying the
2 circumstances and timing of any increases in materials or manufacturing costs that caused
3 any increases during 2020 or 2021, to the extent information is available, in the price of the
4 drugs and any other information that the organization or a prescription drug manufacturer
5 believes to be pertinent to a determination of whether an unsupported price increase has
6 occurred. The Maine Health Data Organization is required to submit a report to the Joint
7 Standing Committee on Health Coverage, Insurance and Financial Services and the
8 committee has authority to introduce legislation based on the report to the Second Regular
9 Session of the 130th Legislature.

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FISCAL NOTE REQUIRED
(See attached)