

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1890

S.P. 736

In Senate, February 26, 2004

An Act To Ensure Disclosure of Prescription Drug Prices

(AFTER DEADLINE)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator TREAT of Kennebec.

Cosponsored by Representative LEMOINE of Old Orchard Beach and

Senators: BRENNAN of Cumberland, DAMON of Hancock, DOUGLASS of Androscoggin, HALL of Lincoln, MAYO of Sagadahoc, STANLEY of Penobscot, Representatives: KANE of Saco, PERRY of Calais.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 22 MRSA §2698-B** is enacted to read:

6 **§2698-B. Actual price disclosure and certification**

8 **1. Quarterly report.** A manufacturer of prescription drugs
dispensed in this State shall, on a quarterly basis, report by
National Drug Code the following pharmaceutical pricing criteria
10 to the commissioner for each of its drugs:

12 **A. The average wholesale price;**

14 **B. The wholesale acquisition cost;**

16 **C. The average manufacturer price as defined in 42 United
States Code, Section 1396r-8(k); and**

18 **D. The best price as defined in 42 United States Code,
20 Section 1396r-8(c)(1)(C).**

22 **2. Calculation.** The calculation of average wholesale price
and wholesale acquisition cost must be the net of all volume
24 discounts, prompt payment discounts, charge-backs, short-dated
product discounts, cash discounts, free goods, rebates and all
26 other price concessions or incentives provided to a purchaser
that result in a reduction in the ultimate cost to the purchaser.

28 **3. Description of methodology.** When reporting the average
wholesale price, wholesale acquisition cost, average manufacturer
30 price and best price, a manufacturer of prescription drugs
dispensed in this State shall also include a detailed description
32 of the methodologies by which the prices were calculated.

34 **4. Certification.** When a manufacturer of prescription
36 drugs dispensed in this State reports the average wholesale
price, wholesale acquisition cost, average manufacturer price or
38 best price, the president or chief executive officer of the
manufacturer shall certify to the department, on a form provided
40 by the commissioner, that the reported prices are accurate.

42 **SUMMARY**

44 This bill requires that drug manufacturers doing business in
the State report and certify to the Department of Human Services,
46 for each of their drugs, the actual average wholesale price and
the wholesale acquisition cost and the average manufacturer price
48 and the best price as defined by federal law.