

MAINE STATE LEGISLATURE

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L.D. 1636

Date: 3/31/22

(Filing No. S-488)

3 **HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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

5 **STATE OF MAINE**
6 **SENATE**
7 **130TH LEGISLATURE**
8 **SECOND REGULAR SESSION**

9 COMMITTEE AMENDMENT "A" to S.P. 520, L.D. 1636, "An Act To Reduce
10 Prescription Drug Costs by Using International Pricing"

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

12 '**An Act To Determine Potential Savings in Prescription Drug Costs by Using**
13 **International Pricing**'

14 Amend the bill by striking out everything after the enacting clause and inserting the
15 following:

16 'Sec. 1. 22 MRSA c. 1683, sub-c. 4 is enacted to read:

17 **SUBCHAPTER 4**

18 **INTERNATIONAL REFERENCED RATE PRICING FOR PRESCRIPTION**
19 **DRUGS**

20 **§8741. International referenced rate pricing**

21 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
22 following terms have the following meanings.

23 A. "Manufacturer" has the same meaning as in section 8731, subsection 3.

24 B. "Prescription drug" has the same meaning as in section 8731, subsection 3-A.

25 C. "Referenced rate" means the maximum rate established using the wholesale
26 acquisition cost and other pricing data described in subsection 2, paragraph B.

27 D. "Wholesale acquisition cost" has the same meaning as in section 8731, subsection
28 6.

29 **2. Referenced rates determined.** The following provisions govern the determination
30 of referenced rates of prescription drugs.

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A. Based on the payments reported in the organization's claims database, the organization shall identify the 100 most costly prescription drugs and the 100 most frequently prescribed prescription drugs in the State, the manufacturers of those drugs and the average wholesale acquisition cost for each drug for the most current 12-month period.

B. To the extent possible, the organization, in conjunction with the Maine Prescription Drug Affordability Board established in Title 5, section 12004-G, subsection 14-I, shall determine the referenced rate for each drug identified in paragraph A by comparing the wholesale acquisition cost to the cost in official publications of the governments of the Canadian provinces of Ontario, Quebec, British Columbia and Alberta. The referenced rate for each prescription drug must be calculated as the lowest cost among the resources described in this paragraph and the wholesale acquisition cost for the most recent 12-month period. If a specific drug identified in paragraph A is not included within the resources described in this paragraph, the organization shall use for the purpose of determining the referenced rate the ceiling price for drugs as reported in other official publications of the government of Canada.

C. For each drug identified in paragraph A, the organization shall determine the potential savings that could be achieved by subjecting those drugs to the referenced rate as calculated pursuant to paragraph B. The savings must be determined based on the payments reported in the organization's claims database for the most current 12-month period.

3. Reporting. By January 1, 2023, and annually thereafter, the organization shall produce and post on its publicly accessible website a report including the information required under subsection 2. The organization shall submit the report required by this subsection to the Office of Affordable Health Care established in Title 5, section 3122, the Maine Prescription Drug Affordability Board established in Title 5, section 12004-G, subsection 14-I and the joint standing committee of the Legislature having jurisdiction over health data reporting and prescription drug matters. The joint standing committee of the Legislature having jurisdiction over health data reporting and prescription drug matters may report out legislation based on the report to the first regular or second regular session of the Legislature, depending on the year in which the report is submitted.'

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

SUMMARY

This amendment replaces the bill. Beginning January 1, 2023, the amendment requires the Maine Health Data Organization to annually report on the 100 most costly prescription drugs and the 100 most frequently prescribed prescription drugs in the State determined based on the payments reported in the organization's claims database for the most current 12-month period and determine the potential savings that could be achieved by subjecting those drugs to a referenced rate. The referenced rate must be calculated as the lowest cost from official publications of certain Canadian provincial government agencies and the wholesale acquisition cost.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



130th MAINE LEGISLATURE

LD 1636

LR 1575(02)

An Act To Reduce Prescription Drug Costs by Using International Pricing

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-488)
Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Maine Health Data Organization are expected to be minor and can be absorbed within existing budgeted resources.