

PRESCRIPTION DRUG PRICES

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary: Prescription drug prices have increased at a faster pace than inflation in recent years and make up a growing share of total health care costs. High prescription drug costs affect not only individual consumers but also state, federal, and local governments. Both the federal government and state governments pay the cost of prescription drugs provided through the Medicaid program and the state Children's Health Insurance Program (CHIP). State and federal governments also pay for prescription drugs through the health insurance plans they offer to their employees and when they cover medical costs for people who are being held in prisons and jails. Price increases in recent years have prompted efforts at both the state and federal levels to find ways to decrease costs.

States have taken various legislative approaches to the topic. Legislation includes measures to try to prevent price gouging, to allow drug importation from Canada, and to require disclosure of certain cost information. A 2017 Maryland price-gouging law was rendered unenforceable after a U.S. circuit court determined that it was unconstitutional and the U.S. Supreme Court in 2019 declined to hear an appeal of the decision.

At the federal level in 2018, the Trump administration released a plan for lowering drug costs. Congress also passed a law prohibiting the companies that administer drug benefits for health insurers from putting gag clauses into their contracts with pharmacies. The gag clauses typically prevent pharmacists from telling consumers that they might pay less for a drug if they pay out of pocket than if they use their insurance and make the required copayment.

In September 2020, President Trump announced his administration will allow importation of certain drugs from Canada.

Legislative Services Division Material

- [House Joint Resolution 17 Study: Prescription Drug Prices](#): Children, Families, Health, and Human Services Interim Committee, 2017-2018

The study website contains briefing papers and other materials presented during the interim study, including:

- [Final Report on the HJR 17 Study](#), June 2018
- [State Legislation to Control Costs](#), August 2017

Other Materials:

- [Guidance for Industry: Importation of Certain FDA-Approved Human Prescription Drugs](#), U.S. Department of Health and Human Services, September 2020
- [NCSL Prescription Drug Policy Resource Center](#), National Conference of State Legislatures
- [State Remedies for Costly Prescription Drugs](#), NCSL, August 2018
- [Recently Enacted State Laws Affecting Pharmaceutical Costs, Pricing and Payment, 2015-2017](#), NCSL
- [Prescription Drug Pricing](#), National Academy for State Health Policy (NASHP), with links to multiple documents
- [Patient Right to Know Drug Prices Act](#), S. 2554 passed by Congress, 2018
- [American Patients First: The Trump Administration Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs](#), May 2018

Introduced Legislation

Note: A status of "Chapter Number Assigned" means the bill was passed by the Legislature and approved by the governor.

2019

[House Bill No. 710](#) (Died in Senate Committee) -- AN ACT ESTABLISHING THE PRESCRIPTION DRUG PRICE TRANSPARENCY ACT; REQUIRING REPORTING OF PRESCRIPTION DRUG COST INFORMATION; PROVIDING FOR A REPORTING FEE; ESTABLISHING PENALTIES; PROVIDING DEFINITIONS; PROVIDING LEGISLATIVE INTENT; AND PROVIDING RULEMAKING AUTHORITY.

[House Bill No. 729](#) (Died in House Committee) -- AN ACT REQUIRING USE OF AN ALTERNATIVE PAYMENT METHOD FOR CERTAIN MEDICAID-COVERED PRESCRIPTION DRUGS; PROVIDING AN APPROPRIATION; AMENDING SECTION 53-6-115, MCA; AND PROVIDING AN EFFECTIVE DATE.

[Senate Bill No. 71](#) (Vetoed by the Governor; Veto Override Failed) -- AN ACT ESTABLISHING REQUIREMENTS FOR PRESCRIPTION DRUG BENEFITS OFFERED UNDER A HEALTH BENEFIT PLAN; ESTABLISHING THE METHOD OF DETERMINING THE PAYMENT FOR BRAND-NAME AND GENERIC PRESCRIPTION DRUGS; REQUIRING HEALTH INSURANCE ISSUERS TO USE COMPENSATION FOR PRESCRIPTION DRUGS TO LOWER CONSUMER HEALTH INSURANCE COSTS; PROHIBITING CONFLICTS OF INTEREST IN DEVELOPING FORMULARIES; PROVIDING RULEMAKING AUTHORITY; PROVIDING PENALTIES; AND PROVIDING A DELAYED EFFECTIVE DATE.

[Senate Bill No. 83](#) (Chapter Number Assigned) -- AN ACT ESTABLISHING ALLOWABLE AND PROHIBITED PRACTICES FOR PHARMACY BENEFIT MANAGERS AND OTHER THIRD-PARTY PAYERS; AMENDING SECTIONS 33-22-101 AND 33-22-170, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE.

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2017

[House Bill No. 326](#) (Died in Standing Committee) -- AN ACT REQUIRING REPORTING OF PRICING FACTORS FOR CERTAIN PRESCRIPTION DRUGS; REQUIRING A REPORT TO THE GOVERNOR AND LEGISLATURE; AND PROVIDING PENALTIES.

[House Bill No. 628](#) (Died in Process) -- AN ACT REQUIRING REPORTING OF PRICING FACTORS FOR CERTAIN PRESCRIPTION DRUGS; REQUIRING A REPORT TO THE LEGISLATURE; AND PROVIDING PENALTIES.

[House Joint Resolution No. 17](#) (Filed with the Secretary of State) – A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF PRESCRIPTION DRUG PRICING; AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 66TH LEGISLATURE.

2015: None

2013

[House Joint Resolution No. 19](#) (Died in Standing Committee) -- A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE STATE'S ROLE IN DRUG PRICING PROGRAMS AND THE USE OF PHARMACY BENEFIT MANAGERS.

2011: None

2009: None

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