

HCAI Prescription Drug Cost Transparency Data Reporting under SB 17

February 19, 2025

HCAI Prescription Drug Cost Transparency Data Reporting: SB 17

Starting in 2019, SB 17 required prescription drug manufacturers to submit:

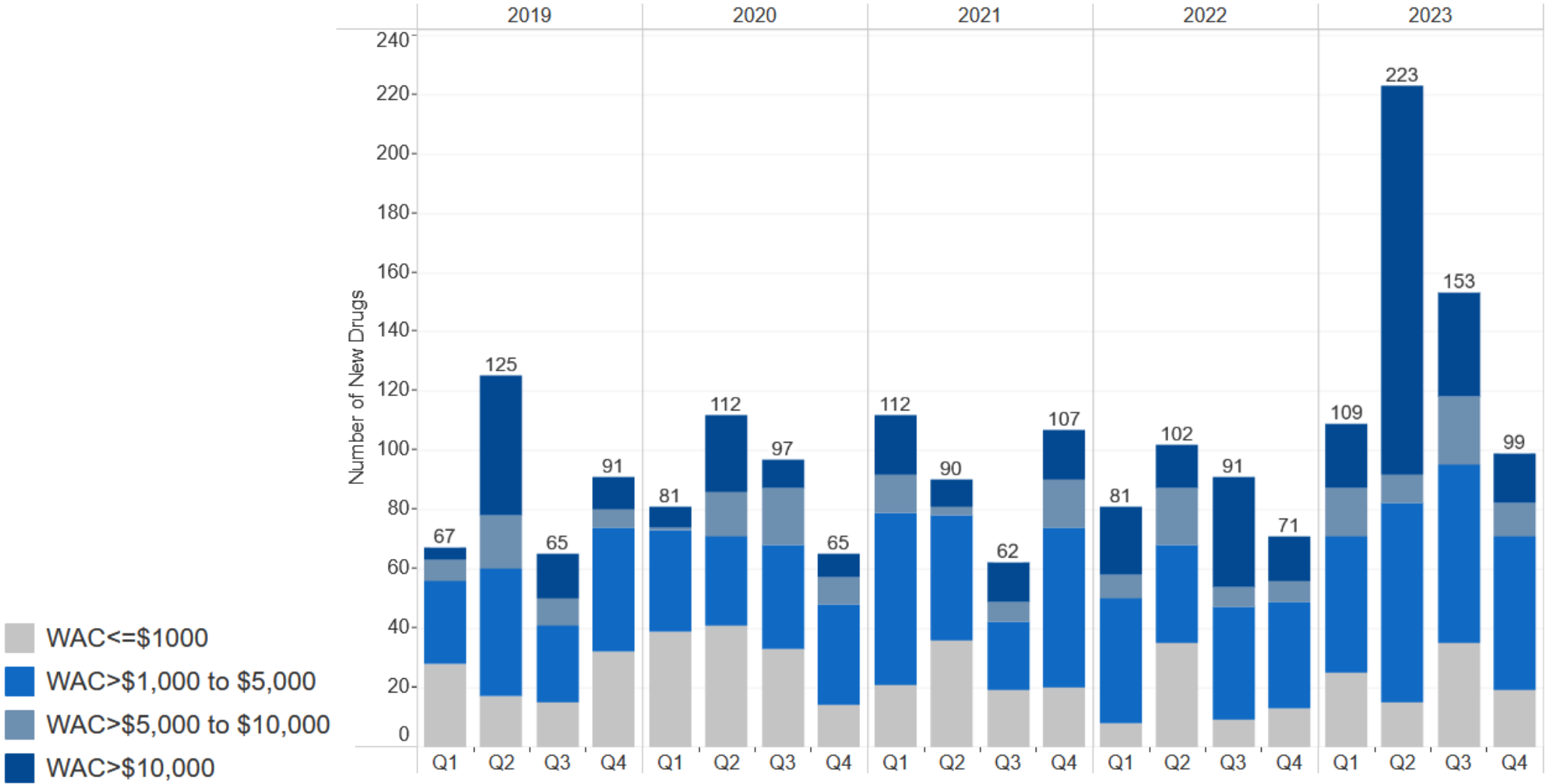
- 60-day advance notice to purchasers of wholesale acquisition cost (WAC, or “list price”) increases for drugs with WAC increase above 16 percent over three years and information about those WAC increases to HCAI.
- Three-day advance notice to HCAI of the introduction of new drugs to market for drugs above the threshold set for a specialty drug under Medicare Part D (\$950 per month in 2024) per course of treatment and additional information about those new drugs.

HCAI Prescription Drug Cost Transparency Data Reporting: SB 17, cont.

Recent trends in SB 17 data have shown:

- Since reporting to HCAI began in 2019, to Q4 2023, prescription drugs with a WAC greater than \$10,000 saw the highest number of reported quarterly WAC increases (188 reports) in Q1 2023.
- In 2023, non-Innovator Multiple Source prescription drugs is the only drug source type reporting an overall annual average percent increase (29.5 percent) higher than the yearly median (21.1 percent).
- HCAI received 205 reported new drugs with a WAC greater than \$10,000 in 2023, more than in any of the prior four years.

New Drugs Introduced to Market by Quarter and WAC Price Category, 2019 - 2023



Citation: HCAI – Prescription Drug Cost Transparency, New Drug 2019-2023

hcai.ca.gov/visualizations/drugs-introduced-to-market



HCAI Prescription Drug Cost Transparency Data Reporting: HPD

HCAI collects healthcare claims and encounters from payers as part of the Healthcare Payment Data (HPD) Program, California's All-Payer Claims Database.

For fee-for-service prescription drug costs in the commercial market in 2021, HCAI data shows:

- The monthly median out-of-pocket cost for the 25 prescription drugs with the highest monthly median out-of-pocket cost ranged from \$150 to \$250 for all drugs reported. The range was \$50 to \$190 for generic drugs.

Citation: HCAI – Healthcare Payments Database – Healthcare Payments Data (HPD) Fee-For-Service Drug Costs in the Commercial Market, 2021

hcai.ca.gov/visualizations/healthcare-payments-data-hpd-fee-for-service-drug-costs-in-the-commercial-market