



Drug Pricing Bill Can't Pass Committee

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The debate over high-priced specialty drugs came to an abrupt end on Tuesday in the California Legislature when a bill to make drug pricing more transparent was withdrawn from the Assembly Committee on Health by its author.

"I am going to be pulling this bill," said Assembly member David Chiu (D-San Francisco) as he was called upon to introduce [AB 463](http://californiahealthline.files.wordpress.com/2016/01/ab_463_bill_20150223_introduced.pdf) (http://californiahealthline.files.wordpress.com/2016/01/ab_463_bill_20150223_introduced.pdf), which would have required drug companies to issue a report on the cost of any drug in excess of \$10,000 a year.

The bill would have needed 10 yes votes to pass through the 19-member committee.

"We are short of votes," Chiu said. "We couldn't begin to lift the veil on skyrocketing specialty drug costs today, but the issue is not going to go away."

Not going away is an understatement, as California voters will decide on a ballot measure called the Drug Price Relief Initiative for the Nov. 8, 2016 election.

The ballot measure would link drug prices to rates set by the U.S. Department of Veteran Affairs.

"The need for action has become clearer with each shocking example of arrested drug company executives, Congressional investigations, and unsustainable retiree health expenses," Chiu said.

The poster child for outrage over exorbitant drug prices has been Martin Shkreli, who owned a company that bought rights to an anti-parasitic pharmaceutical and then hiked the cost by more than 5,000%. Shkreli later was arrested by the FBI and charged with securities fraud.

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Charles Bacchi, executive director of the California Association of Health Plans, said the withdrawal of AB 463 won't slow the push to hold down specialty-drug prices.

"We remain committed to tackling high priced drugs," Bacchi said, "and until pharmaceutical companies act responsibly, we'll be holding their feet to the fire."

Chiu said the high cost of specialty medication affects individuals and businesses, but also slams the state budget.

"Our broad coalition of unlikely allies including labor unions, business groups, consumer advocates and health plans is committed to continuing the fight against the cost of blockbuster drugs in 2016," Chiu said.

AB 463 is a two-year bill, so it can't be revived. But bill proponents could submit a different piece of legislation that might be more palatable to lawmakers.

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