



CAHP's On Target series highlights noteworthy information we believe is valuable to the ongoing California health care dialogue.

In the latest On Target, the [New York Times](#) editorial board addresses the troubling trend of high priced specialty drugs, highlighting efforts throughout the nation to tackle rising costs and open up the vault of information on drug pricing. The Times agrees that, with no end in sight for runaway drug prices, it's time to end the mystery surrounding the pricing of specialty drugs and work together to prioritize affordability.

Editorial: Runaway Drug Prices

New York Times

May 5, 2015

By: The New York Times Editorial Board

The New York Times

"A drug to treat abnormal heart rhythms can cost about \$200 on one day and more than \$1,300 the next. A diagnosis of multiple sclerosis can lead to a drug bill of at least \$50,000 a year. How companies set prices of specialty drugs for these and other complex diseases, like cancer and AIDS, has been a mystery to the patients who need them. Now the Obama administration and some states are tackling that lack of transparency and the rising costs."

"The drug and biotech companies contend that high prices are justified to cover the large costs of bringing a drug to market and to compensate for the large number of drugs that fail in late stages of costly clinical trials. But it appears that many companies raise prices arbitrarily and charge what public and private insurers will pay."

"Bills have been [introduced](#) in several states requiring drug makers to report profits and expenses for costly drugs or sometimes for all drugs, according to The Journal's pharmaceutical blog. Such disclosures might shame companies into restraining their price increases and provide state officials with information to determine what action to take.

"The industry helped defeat such a bill in Oregon and is fighting to head off a bill in California that would impose new reporting requirements on makers of any prescription drug whose wholesale costs are \$10,000 or more annually or per course of treatment. They would have to disclose the research, development, marketing and manufacturing costs, as well as the profits, attributable to the drug... surely the public would benefit from increased transparency that might deter the worst abuses."

Read more here: <http://nyti.ms/1JoGUZn>.

For more information on the impact of high-priced drugs and the push to open up the vault of drug pricing information, please visit Health Care Cost Drivers: [Spotlight on Specialty Drugs](#) & [Shedding Light on Prescription Drug Pricing](#).

California Association of Health Plans

CAHP is a statewide trade association representing 43 full-service health plans. CAHP works to sustain a strong environment in which health plans can provide access to products that offer choice and flexibility to the more than 24 million members they serve. For more information, please visit www.calhealthplans.org or call (916) 552-2910.

"There are no multiple sclerosis drugs available in the United States with a list price below \$50,000 a year, [the researchers say](#), which is two to three times more than the list prices in Canada, Australia or Britain."