



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

Throughout California, outrageously high prices for new drugs are sparking a new debate calling for greater transparency into drug prices that will inform how best to ensure exorbitant prices don't undermine health care affordability. The [Sacramento Bee](#) examines the challenges posed by skyrocketing prices for new, effective treatments and looks at Assemblyman David Chiu's AB 463 as one policy designed to shine light onto how pharmaceutical manufacturers price their products.

## High price of specialty drugs prompts backlash

Sacramento Bee

April 4, 2015

By Hudson Sangree



"The cost of these new hepatitis drugs has inflamed debate about whether pharmaceutical companies are charging outlandish amounts to treat life-threatening diseases and has prompted legislative efforts this year to rein in drug costs."

"We feel like there hasn't been a lot of explanation why drugs are priced at this rate," said Nicole Kasabian Evans, vice president for communications at the California Association of Health Plans. "There are about 12 blockbuster drugs set to launch this year, and we think it's important to peel back the onion and get a better understanding of why drugs are priced this way."

"Multiply the price of the new hepatitis C drugs by the number of potential patients, and you get an idea of the costs to patients, health insurers and government programs such as Medi-Cal. The issue would be compounded if other new drugs are priced similarly."

"Both the California Association of Health Plans and Health Access California are backing a bill introduced this year by Assemblyman David Chiu, D-San Francisco, that would require drugmakers to disclose the costs and profits of any drug or course of treatment that costs more than \$10,000 per year. Assembly Bill 463 is awaiting a hearing by the lower house's Health Committee."

"The industry has told us the highest drug prices are driven by costs," Chiu said. "If that's the case, then we're simply asking for information to help policymakers understand."

Read more here: <http://www.sacbee.com/news/local/health-and-medicine/article17411552.html>

See CAHP's fact sheet: [Spotlight on Specialty Drugs](#).

**"It's not just Sovaldi. It's all the ones that come after. Sovaldi set a new price point for the next wave of drugs."**

Anthony Wright  
Executive Director, Health Access

### 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, visit [www.calhealthplans.org](http://www.calhealthplans.org) or call (916) 552-2910.