Disastrous drug price hikes hurt Fresno and California

By Smita Rouillard | August 9, 2016

“It’s no secret that drug prices are on the rise. Price hikes that would be considered criminal in other parts of the health care sector have become the norm. Headlines declaring 1,000% increases on decades-old prescriptions and new therapies hitting the market with price tags similar to a new home are no longer novel. We cannot allow this trend to continue.

“In Fresno County, nearly half our population is enrolled in Medi-Cal, and Medi-Cal is one of the programs that’s been hit hardest by out-of-control prescription price spikes. California’s 2016-17 budget allocates nearly $1 billion to cover the cost of outrageously expensive Hepatitis C treatments for Medi-Cal enrollees. That’s the cost of just one drug in just one program.

“Over all, Medi-Cal has struggled through a near 60 percent increase in drugs it covers costing $600 or more. This story continues across California’s state programs – prisons saw a 44 percent increase in prescription drug spending and the public pension system CalPERS saw a 27 percent rise. And there’s no end in sight...

“By requiring drug companies to provide advance warning on major price hikes, we can give large purchasers the time needed to prepare and the tools to better negotiate. This is a critical change that we need now.”

“The pharmaceutical industry has entirely escaped the transparency requirements and other regulations that cover the rest of the health care sector... We need to end the era of drug-company secrecy and begin to collaborate on how to achieve reasonable drug prices and bring sanity back to health-care costs...

“SB 1010 is common-sense change that will provide Californians with the tools to put the brakes on this disastrous trend. With the health care of millions on the line, we simply cannot afford to wait.”

“SB 1010 will also require annual reporting on what goes into drug pricing so we can better safeguard the millions of taxpayer dollars that go into developing drugs every year and debunk claims that research and development drive price increases. This will help us finally get to the bottom of why costs are going through the roof.”


The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit [www.RunawayRx.org](http://www.RunawayRx.org) or follow us on Twitter at @Runaway_Rx.