FOR IMMEDIATE RELEASE:
March 26, 2019

CONTACT:
Mary Ellen Grant
(916) 552-2914
mgrant@calhealthplans.org

Bill Designed to Lower Prescription Drug Prices by Cracking Down on Pharma’s Pay-for-Delay Schemes Passes Assembly Health Committee

Sacramento, CA— AB 824, a bill that would curb increasing drug prices in California by allowing more generic drugs to enter the health care marketplace, cleared the Assembly Health Committee this afternoon.

The measure, introduced by Assembly Health Committee Chairman Jim Wood (D-Santa Rosa) in partnership with Attorney General Xavier Becerra, would prohibit “pay-for-delay” agreements where a pharmaceutical company transfers anything of value to delay a competitor’s research, marketing, or sale of a competing version of its drug. Drug manufacturers use pay-for-delay agreements to block competitors from manufacturing or marketing lower-cost versions of their drugs. Such agreements act only to protect drug manufactures’ profits while keeping lower cost generic drugs from patients who need access to more affordable health care.

“Today’s passage of AB 824 out of the Assembly Health Committee brings us one step closer to making health care more affordable,” said California Association of Health Plans President and CEO Charles Bacchi.

“Premiums are driven by the cost of medical care, and prescription drugs are one of the largest factors driving these costs,” Bacchi said. “Giving the Attorney General greater tools to crack down on pharmaceutical manufacturers that participate in pay-for-delay activities will help to bring more generic drugs into the marketplace and improve the affordability of prescription drugs for all Californians.”

Watch our RunawayRx video about Pharma’s battalion of tactics to keep generic drugs off the market. http://bit.ly/2N2B7AE
CAHP is a statewide association representing 45 full-service health plans. Through legislative advocacy, education and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 25 million members they serve. For more information, please visit http://www.calhealthplans.org/ or call (916) 552-2910.