



Office of Senator Cindy F. Friedman
Chair, Joint Committee on Health Care Financing
Fourth Middlesex District

January 17, 2023

PACT ACT 3.0:
***AN ACT RELATIVE TO PHARMACEUTICAL
ACCESS, COST & TRANSPARENCY***

THE SENATE HAS TAKEN A LEADERSHIP ROLE IN ADDRESSING PRESCRIPTION DRUG PRICES

The FY20 Budget enabled MassHealth to negotiate supplemental rebates directly with pharmaceutical manufacturers.

In November 2019, the Senate passed comprehensive pharmaceutical legislation (PACT Act). The House failed to act on it.

In February 2022, the Senate passed the second iteration of the PACT Act. The House failed to act on it.

WHY THIS BILL IS IMPORTANT TO YOUR RESIDENTS

- Provides immediate price relief for drugs used to treat **diabetes, asthma, and chronic heart conditions**
- Increases access to and choice in pharmacy
- Offers financial assistance for prescription drugs that treat chronic illnesses
- Looks at *why* prescription drugs cost what they do

THIS BILL BUILDS ON THIS WORK & TAKES THE NEXT STEP

This bill proposes a comprehensive approach to addressing prescription drug prices that focuses on:

- Access & cost improvement
- Transparency & oversight

ACCESS & COST IMPROVEMENT

Authorizes HPC to identify high-cost drugs & essential public health drugs with large price increases & determine a proposed value

Creates a confidential Access & Affordability Improvement Plan process between HPC & a drug manufacturer whose price exceeds HPC's proposed value

Limits out-of-pocket costs for drugs used to treat diabetes, asthma, and chronic heart conditions

Establishes a trust fund to provide financial assistance for prescription drugs used to treat chronic illness

Ensures consumers pay the lowest price for a prescription drug at the pharmacy counter

Increases pharmacy access for consumers

Directs the Health Connector to conduct study on drug pricing

TRANSPARENCY & OVERSIGHT

Includes pharmaceutical manufacturers & pharmacy benefit managers in HPC cost trends hearings

Requires early notice to HPC of new drugs coming to market & significant price increases for existing drugs

Authorizes CHIA data collection & analysis regarding pharmaceutical manufacturers & pharmacy benefit managers

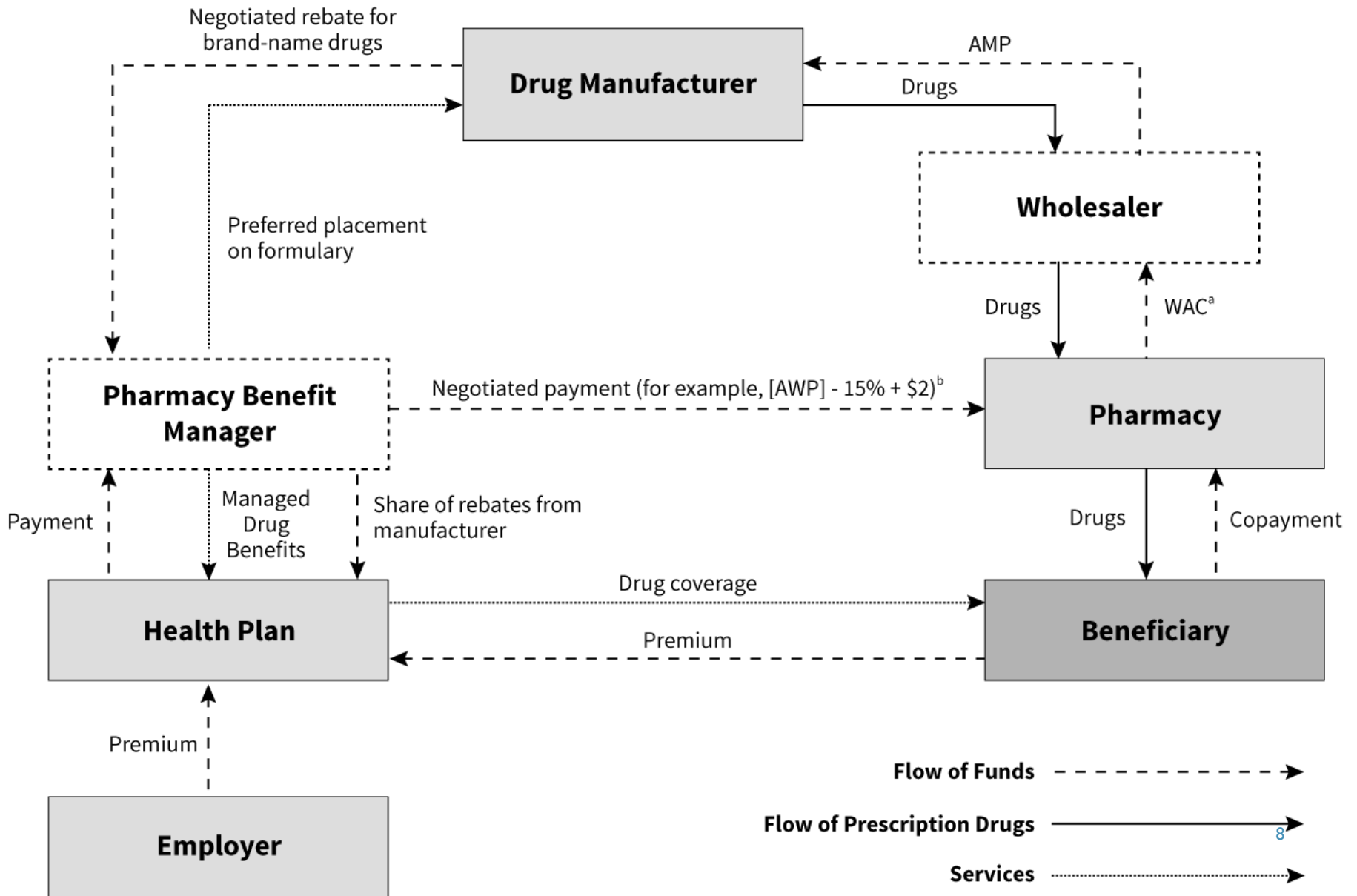
Directs DOI to license pharmacy benefit managers & requires insurers to audit their pharmacy benefit managers every 3 years

Creates a drug supply chain task force to review the relationship between pharmacy benefit managers & chain & independent pharmacies

Directs HPC – with CHIA, EOHHS, and DOI – to conduct a study on the effects of capping co-pays selected drugs to treat diabetes, asthma, and chronic heart conditions

ADDED VIA AMENDMENT

- Ensures that drug manufacturers cannot deny, restrict, prohibit or interfere with the acquisition of discounted drugs that federally qualified health centers (FQHCs) and certain safety-net hospital pharmacies dispense through the 340B program
- Prohibits a PBM from making payments to a pharmacy benefit consultant or broker if the payment constitutes a conflict of interests
- Prohibits a PBM from requiring that a pharmacy dispense a medication directly to a patient with the expectation or intention that the patient will transport the medication to a physicians' office, hospital or clinic for administration (“brown bagging”)
- Studies adoption of statewide policy requiring schools, police stations and fire stations to maintain a supply of epinephrine injectors on hand
- Studies the effectiveness, safety and long-term public health impacts of weight loss medication for preventive care





Office of Senator Cindy F. Friedman
Chair, Joint Committee on Health Care Financing
Fourth Middlesex District

January 17, 2023

PACT ACT 3.0: *AN ACT RELATIVE TO PHARMACEUTICAL ACCESS, COST & TRANSPARENCY*

S.2520, NOW BEFORE THE HOUSE OF REPRESENTATIVES FOR CONSIDERATION

QUESTIONS?