SENATE DOCKET, NO. 1625 FILED ON: 1/19/2023

SENATE . . . . . No. 797

The Commonwealth of Massachusetts

PRESENTED BY:

Jacob R. Oliveira

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to bring down the cost of prescription drugs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jacob R. Oliveira	*Hampden, Hampshire and Worcester*

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SENATE . . . . . No. 797

By Mr. Oliveira, a petition (accompanied by bill, Senate, No. 797) of Jacob R. Oliveira for legislation to bring down the cost of prescription drugs. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *786* OF 2021-2022.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act to bring down the cost of prescription drugs.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to determine the feasibility of state-directed manufacture of certain prescription drugs, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public health.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Notwithstanding any general or special law to the contrary, the health policy commission shall conduct a study examining the feasibility of establishing a program for the commonwealth to direct the manufacture of generic or biosimilar prescription drugs.

The study shall analyze whether the creation of a state-directed prescription drug manufacturing program would have the intended result of increasing competition, lowering prices, and addressing shortages in the market for prescription drugs; reducing the cost of prescription drugs for public and private purchasers, taxpayers, and consumers; and increasing

patient access to affordable drugs. The study shall examine the factors that most greatly contribute to drug costs in the commonwealth, the ways in which the cost of generic prescription drugs factors into MassHealth spending and healthcare costs across the Massachusetts healthcare system, and whether establishing a state-directed prescription drug manufacturing program related to generic or biosimilar drugs would be reasonable and effective at reducing drug prices and the cost of healthcare to patients and payors in Massachusetts including, but not limited to: (i) factors that contribute towards the increase of prescription drug prices for older, off-patent, or generic drugs; (ii) identifying generic prescription drugs that comprise the greatest proportion or a disproportionate amount of generic prescription drug spending; (iii) identifying generic prescription drugs that comprise the greatest proportion or a disproportionate amount of generic prescription drug price increases; (iv) the competitive landscape of generic and biosimilar drug manufacturing and its effects on prescription drugs prices in Massachusetts; (v) the degree of competition in regards to the generic prescription drugs that comprise the greatest degree or a disproportionate amount of spending; and (vi) the potential impact on prescription drug costs and healthcare costs by establishing a state-run program to direct the manufacture generic or biosimilar prescription drugs.

The commission shall submit a report of its findings and recommendations to the governor, speaker of the house, senate president, clerks of the house and senate, chairs of the joint committee on ways and means and chairs of the joint committee on health care finance no later than 1 year after the passage of this act. Recommendations of the report shall include, but not be limited to: (i) a cost-benefit analysis of establishing a state-run program to direct the manufacture generic prescription drugs; (ii) whether such a program would be sensible for the commonwealth to establish; (iii) a plan for the establishment of such a program if believed to be

effective; (iv) the generic or biosimilar prescription drugs that would be most beneficial to manufacture; and (v) any legislative recommendations.