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## DIGEST

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HB 710 Original

2018 Regular Session

Hollis

**Abstract:** Prohibits a manufacturer or wholesale distributor from engaging in unrestrained price increases in the sale of an essential off-patent or generic drug.

Proposed law defines "essential off-patent or generic drug", "medical assistance program", "secretary", "unrestrained price increases", and "wholesale acquisition cost".

Proposed law prohibits a manufacturer or wholesale distributor of an essential off-patent or generic drug from engaging in unrestrained price increases in the sale of the drug.

Proposed law authorizes the secretary of the La. Dept. Of Health to notify the attorney general of any increase in the price of an essential off-patent or generic drug if the price increase, by itself or in combination with other price increases, would result in an increase of 50% or more in the wholesale acquisition cost of the drug or the price paid by the medical assistance program for the drug within the preceding one-year period and a 30-day supply of the maximum recommended dosage of the drug for any indication or a full course of treatment with the drug, according to the label for the drug approved under the federal Food, Drug, and Cosmetic Act, would cost more than \$80 at the drug's wholesale acquisition cost.

Proposed law provides that the attorney general's receipt of the notification shall constitute notice of a potential violation of the Unfair Trade Practices and Consumer Protection Law.

Proposed law requires any civil investigative demand issued by the attorney general to a manufacturer to include a request for all of the following information:

- (1) An itemization of the components of the cost of producing the drug.
- (2) An identification of the circumstances and timing of any increase in materials or manufacturing costs that caused any increase in the price of the essential generic drug within the one-year period preceding the date of the price increase.
- (3) An identification of the circumstances and timing of any expenditures made by the manufacturer to expand access to the drug.
- (4) An explanation of any improvement in public health associated with those expenditures.
- (5) Any other information that the manufacturer believes to be relevant to a determination of

whether a violation has occurred.

Proposed law permits a court, in addition to any other remedy authorized by law, to issue an order to do any combination of the following:

- (1) Require a manufacturer that has engaged in unrestrained price increases in the sale of an essential off-patent or generic drug to make the drug available to residents of La. for a period of up to one year at the price at which the drug was made available prior to the manufacturer's violation.
- (2) Impose a civil penalty of up to \$10,000 for each violation.

Proposed law prohibits the attorney general from bringing an action for a remedy unless the attorney general has provided the manufacturer or wholesale distributor an opportunity to offer a justification for the increase in the price of the essential off-patent or generic drug.

Proposed law provides that any information provided by a manufacturer or a wholesale distributor to the attorney general shall be considered confidential commercial information not subject to public disclosure pursuant to the Public Records Law unless the confidentiality of the information is waived by the manufacturer or wholesale distributor.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 44:4.1(B)(26); Adds R.S. 40:2255.21-2255.23)