

Insurance and Banking Committee 2

Amendment No. 3 to HB1059

**Travis
Signature of Sponsor**

AMEND Senate Bill No. 922

House Bill No. 1059

by adding the following language as a new subsection (f) to Section 1:

(1) As used in this subsection (f):

(A) "Manufacturer" has the same meaning as in 42 U.S.C. § 1396r-8(k)(5); and

(B) "Wholesale acquisition cost" has the same meaning as in 42 U.S.C. § 1395w-3a(c)(6)(B).

(2) A manufacturer of anti-cancer medication is subject to reporting under this subsection (f) for any anti-cancer medication in its product portfolio that experiences a ten percent (10%) or more price increase from the previous calendar year. A price increase shall be determined by the difference in the wholesale acquisition cost of the anti-cancer medication as of December 31 in the current calendar year and the wholesale acquisition cost as of December 31 in the previous calendar year.

(3) A manufacturer subject to reporting under this subsection (f) shall report the following information about the anti-cancer medication to the department no later than March 1 of the following calendar year:

(A) The current wholesale acquisition cost of the anti-cancer medication, including a five-year history of wholesale acquisition cost price increases as a percentage and including the month each increase took effect;

(B) After-tax research and development costs of the drug, listing separately the total costs paid by any entity other than the manufacturer or predecessor for research and development, including any amount from federal,

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state, or other governmental programs or any form of subsidies, grants, or other support;

(C) The total costs of promotion of the anti-cancer medication, including marketing and advertising costs, apportioned by the costs of marketing activities that are directed to consumers and the costs of marketing activities that are directed to prescribers;

(D) Gross sales of the anti-cancer medication for the most recent calendar year as represented in total dollars;

(E) Net income of the anti-cancer medication for the most recent calendar year as represented in total dollars; and

(F) The total amount of financial assistance the manufacturer has provided to Tennessee consumers through patient prescription assistance programs if such programs are available.

(4) Upon receipt, the department shall post the reports submitted pursuant to this subsection (f) on the department's website. The commissioner shall annually update the commerce and labor committee of the senate and the insurance and banking committee of the house of representatives as to the number of price increases submitted pursuant to this subsection (f), as well as the range of the percentage increases.

(5) In its sole discretion, the department may remove any additional information provided by the manufacturer in the manufacturer's report that is not specifically subject to reporting requirements under this subsection (f) prior to publishing the report on the department's website. Additionally, the department may summarize the information

provided by a manufacturer under this subsection (f) in order to make the information more accessible by Tennessee consumers.

(6) Failure to comply with the reporting requirements of this subsection (f) may subject a manufacturer to the penalties described in § 56-2-305.