

**Nevada Senate Bill 262
Asthma Drug Proprietary Reporting
March 18, 2019**

Position: The Pharmaceutical Research and Manufacturers of America (PhRMA) opposes Senate Bill 262 (SB 262), which requires biopharmaceutical manufacturers that produce drugs essential for the treatment of asthma to report proprietary information to the Nevada Department of Health and Human Services.

Discussions about the cost and affordability of medicines are important. No patient should have to worry about whether they can afford the health care they need. However, the notion that spending on medicines is the primary driver of health care cost growth is false - and ignores cost savings that medicines provide to the health care system overall. Medicines lead to fewer physician visits, hospitalizations, surgeries and other preventable procedures – all of which translate to lower health care costs. New medicines are making crucial contributions to medical advances, changing the direction of healthcare as we know it. This bill is likely to skew discussions of policy issues in ways that are systematically biased against innovation.

Despite the fact that the best available data on healthcare spending shows that in nearly all years, other categories of services account for far larger increases in premiums and health costs, this bill requires prescription drug manufacture reporting, and does so based on a price metric, WAC, that does not reflect what purchasers actually pay, thus overstating costs for medicines.

SB 262 places requirements on biopharmaceutical manufacturers to report information that will not help patients better understand the costs of their medicines.

In the United States, net prices for medicines grew just 1.5 percent in 2018, less than the rate of inflation. This is because biopharmaceutical manufacturers give substantial rebates and discounts to pharmacy benefit managers (PBMs) and insurers that significantly lower the list price of medicines. In 2017, the rebates and discounts biopharmaceutical manufacturers paid to PBMs and other payers totaled more than \$153 billion. These rebates have led to a significant downward trend for payers. In fact, one of the largest PBMs reported that a -7.3% trend for asthma medicines in the commercial market in 2018. Unfortunately, it doesn't feel that way for patients because insurers don't always share these savings with patients at the pharmacy counter in the same way they share negotiated discounts for physician or hospital services for their plan members.

SB 262 raises serious legal questions related to disclosure of propriety information.

The framework for protection of trade secrets in the regulations adopted for diabetes transparency reporting applies to disclosures under statute but were written by referencing the specific bill that created those sections. The confidentiality language in the regulations for the diabetes transparency bill should be adopted in SB 262 to clarify that the requirements and considerations apply to disclosures required by those sections of statute generally and not just pursuant to any specific bill.

For these reasons, PhRMA urges Nevada legislators to oppose SB 262.