SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1615

STATE OF NEW JERSEY

DATED: MARCH 14, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 1615.

This bill establishes data reporting requirements for pharmacy benefits managers (PBMs), wholesale drug distributors, insurance issuers, and manufacturers so that the Division of Consumer Affairs can issue an annual report on emerging trends in prescription drug pricing at each stage of the supply chain. Every year, each of these reporting entities must register with the department and report on measures such as the volume, sales, revenue and year-over-year change in prescription drug transactions. Once the department compiles this information and publishes its annual report on prescription drug pricing trends, it must hold a public hearing on the findings.

The bill also mandates that a manufacturer notify the department if it is increasing the price of a prescription drug or if it is introducing: a new drug with a wholesale acquisition cost of $670 per unit or more or a biosimilar drug that has a wholesale acquisition cost that is not at least 15 percent less than the wholesale acquisition cost of the referenced brand biologic at the time the biosimilar is launched. The price increase reporting requirement applies in any case where a manufacturer increases the wholesale acquisition cost by more than 10 percent per unit for any brand-name drug or any generic drug priced at more than $10 per unit.

The bill appropriates from the General Fund to the Division of Consumer Affairs in the Department of Law and Public Safety $900,000 to implement the provisions of the bill.

As reported by the committee, this bill is identical to Assembly Bill No. 2840.