

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** HB 1436

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. **Patron:** Hurst

3. **Committee:** Commerce and Labor

4. **Title:** Prescription drug price transparency.

5. **Summary:** Requires every manufacturer of a prescription drug that is made available in the Commonwealth and has a wholesale acquisition price of \$10,000 or more for a single course of treatment to report to the State Health Commissioner no later than July 1 of each year information related to the cost of developing, manufacturing, and marketing the prescription drug; any changes in the average wholesale price and average wholesale acquisition cost of the prescription drug; the amount of profits derived from sale of the prescription drug; and the total amount of financial assistance provided to consumers of the prescription drug. The bill adds this reported data to the list of reports that the Commissioner causes to be published on a website maintained by a nonprofit entity with which the Commissioner has entered into a contract for such purpose and requires the Commissioner to annually report on such information, in aggregate form, to the Chairmen of the House Committees on Appropriations and on Health, Welfare and Institutions and the Senate Committees on Finance and on Education and Health. The measure has a delayed effective date of January 1, 2019.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	0	0	General
2019	50,000	0	General
2020	15,000	0	General
2021	15,000	0	General
2022	15,000	0	General
2023	15,000	0	General
2024	15,000	0	General

8. **Fiscal Implications:** This bill would have a fiscal impact on the Department of Health (VDH) to support data collection services provided by Virginia Health Information (VHI), a non-profit entity. VHI and VDH currently have a contract in place for the collection of various types of data. In order for VHI to collect this data on prescription drugs, they would

need to either purchase software or build one to do this collection and aggregate all data received for the Commissioner's report. The estimated cost of such software is \$50,000 the first year with \$15,000 needed for maintenance and ongoing support after the first year. If this bill should pass, VDH would add this work to the VHI-VDH contract and pay VHI accordingly.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: None.