

Growing Number of States Enact Drug Pricing Transparency Laws

Article By:

Rachel E. Yount

Drug prices continue to be a hot button issue in American politics. While many of the Trump Administration's efforts to curb increasing drug prices stalled in 2019, a number of state legislatures have adopted drug price transparency laws in recent years. Since 2015, Vermont, Nevada, California, Maryland, Louisiana, New York, Oregon, Colorado, Connecticut, Maine, Texas, and Washington have all adopted drug pricing transparency laws. These laws are designed to incentivize manufactures to lower drug prices by requiring them to report information about drug price increases and their justification for how drug prices are set. We have been tracking and summarizing these laws, and you can find our summary [here](#).

Below is a brief overview of the trends that we're seeing in state drug price transparency laws.

- ***State Laws Requiring Manufacturer Reporting on Drug Price Increases.*** The most prevalent type of drug price transparency laws requires manufacturers to report an extensive amount of information about drug price increases. Generally, states require manufacturers to report the information to a state government agency (e.g., Oregon), but other states (e.g., California) require manufacturers to provide advance notice of drug price increases to purchasers. Generally, reporting requirements are triggered when the wholesale acquisition cost (WAC) increases over a certain dollar threshold or when the net increase of the WAC increases a certain percentage over the course of a year.
- ***State Laws Requiring Manufacturer Reporting for Specific Drugs Identified by the State or Certain Types of Drugs.*** Several states (e.g., Connecticut and Vermont) authorize an independent board to compile a list of drugs on which the state spends significant dollars and/or for which the WAC has increased significantly over the past year or past five years. Manufacturers of the drugs identified by the board are required to report certain information about the drugs' costs and pricing. The reporting requirements in other state laws are specific to certain types of drugs. For example, Nevada's drug price transparency law initially applied only to forms of insulin and biguanides, which are essential for diabetes treatment. In 2019, Nevada expanded the law to apply to prescription drugs essential for asthma treatment as well.
- ***State Laws Requiring Pharmacy Benefit Managers (PBMs) to Disclose Manufacturer***

Rebates. These laws place accountability for drug price increases on PBMs by requiring them to disclose the amount of rebates they negotiate and retain from manufacturers.

©1994-2025 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. All Rights Reserved.

National Law Review, Volume X, Number 23

Source URL: <https://natlawreview.com/article/growing-number-states-enact-drug-pricing-transparency-laws>