

**First Regular Session  
Seventy-Seventh General Assembly  
STATE OF SAN ANDREAS**

**INTRODUCED**

LLS NO. 26-0731.01 Elizabeth Rivas x1915

**HOUSE BILL 26-026**

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**SENATE SPONSORSHIP**

**Carpenter**

**HOUSE SPONSORSHIP**

**Bennett, Gomez, Gomes**

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**House Committees**

Not assigned

**Senate Committees**

Not assigned

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**A BILL FOR AN ACT**

**CONCERNING STATEWIDE CAPS ON THE COST OF PRESCRIPTION DRUGS, AND, IN CONNECTION THEREWITH, ESTABLISHING PATIENT PROTECTIONS, PRICE LIMITS, AND ENFORCEMENT MECHANISMS TO PREVENT EXCESSIVE MEDICATION COSTS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <https://saleg.uscgov.com>)*

This bill establishes statewide protections to ensure residents can afford medically necessary prescription medications by placing limits on the amount patients may be required to pay out of pocket. The bill expands existing insulin affordability policies into

**Shading denotes HOUSE amendment. Underlining denotes SENATE amendment.**

**Capital letters or bold & italic numbers indicate new material to be added to existing law.**

**Dashes through the words or numbers indicate deletions from existing law.**

a comprehensive framework covering all prescription drugs, recognizing that rising medication costs have created significant barriers to treatment and have contributed to worsening public health outcomes.

The measure caps monthly out-of-pocket costs at thirty-five dollars for insulin, one hundred dollars for any single prescription medication, and two hundred dollars total per month for all prescriptions combined for insured residents. These limits apply regardless of deductible status, formulary placement, or drug type. The bill also creates an affordability pathway for uninsured residents, requiring manufacturers participating in the state market to ensure medications remain available at similarly capped prices through participating pharmacies.

To oversee implementation, the bill establishes a Prescription Drug Affordability Board within the Department of Health to monitor drug pricing trends, review high-cost medications, and establish additional payment limits when necessary to protect consumers. The legislation further prohibits insurers, pharmacy benefit managers, and manufacturers from avoiding compliance through premium increases, coverage reductions, or administrative barriers designed to restrict access to prescribed medications.

The bill includes emergency dispensing authority allowing pharmacists to provide short-term supplies of maintenance medications when interruption would threaten patient health, along with transparency reporting requirements and enforcement authority granted to the Attorney General. Overall, the legislation seeks to reduce financial barriers to treatment, improve medication adherence, and protect public health by ensuring that residents are able to obtain essential prescription drugs at predictable and affordable costs.

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**1** *Be it enacted by the General Assembly of the State of San*  
**2** *Andreas:*  
**3** **SECTION 1. SHORT TITLE.** This act shall be known and may  
**4** be cited as the “Prescription Drug Affordability Act.” **SECTION**  
**5** **2. LEGISLATIVE FINDINGS AND DECLARATIONS.** The  
**6** General Assembly finds and declares that: (a) Prescription

1 medications are medically necessary goods essential to preserving  
2 life and public health; (b) Excessive prescription drug pricing  
3 forces residents to delay or abandon treatment; (c) Financial  
4 barriers to medication increase emergency care costs and  
5 mortality; (d) The state has a compelling interest in ensuring  
6 residents may obtain prescribed medication regardless of income  
7 or insurance status; and (e) Reasonable limits on consumer costs  
8 promote access while maintaining a stable healthcare  
9 marketplace. **SECTION 3. DEFINITIONS.** (a) “Prescription  
10 drug” means any drug requiring dispensation pursuant to a lawful  
11 prescription approved by federal law. (b) “Covered resident”  
12 means any resident of this state, regardless of insurance coverage.  
13 (c) “Health benefit plan” includes insurers, pharmacy benefit  
14 managers, HMOs, and state healthcare programs. (d) “Upper  
15 Payment Limit” (UPL) means the maximum amount that may be  
16 charged to or paid by a consumer for a prescription drug.  
17 **SECTION 4. STATEWIDE PRESCRIPTION DRUG COST CAP**  
18 **— INSURED RESIDENTS.** (a) A health benefit plan shall not  
19 require a covered resident to pay more than: (I) \$35 per month for  
20 insulin; (II) \$100 per month for any single prescription drug; and  
21 (III) \$200 total per month for all covered prescription drugs  
22 combined. (b) The limits apply regardless of: Deductible status,  
23 Formulary classification, Brand or generic status, Quantity  
24 prescribed when medically necessary. (c) Prescription drugs  
25 subject to this act shall not be subject to deductible requirements  
26 prior to application of the cap. **SECTION 5. AFFORDABILITY**  
27 **PROGRAM FOR UNINSURED RESIDENTS.** (a) Manufacturers  
28 distributing prescription drugs within this state shall participate in  
29 a State Prescription Affordability Program. (b) Pharmacies shall  
30 provide prescription drugs to uninsured residents at prices not  
31 exceeding: (I) \$35 per insulin prescription per month; (II) \$100  
32 per non-insulin prescription per month. (c) Manufacturers shall  
33 reimburse pharmacies for the difference between retail acquisition

1 cost and capped consumer payment. **SECTION 6.**  
2 **PRESCRIPTION DRUG AFFORDABILITY BOARD.** (a) The  
3 Prescription Drug Affordability Board is created within the  
4 Department of Health. (b) The Board may establish stricter Upper  
5 Payment Limits for drugs determined to create affordability  
6 challenges. (c) The Board shall prioritize: (I) Life-sustaining  
7 medications, (II) Chronic disease treatments, (III) Drugs  
8 experiencing excessive annual price increases. **SECTION 7.**  
9 **PROHIBITION ON COST AVOIDANCE PRACTICES.** A  
10 manufacturer, insurer, or pharmacy benefit manager shall not: (a)  
11 Increase premiums primarily to offset compliance; (b) Remove  
12 drugs from formularies to evade price caps; (c) Require  
13 non-medical switching; (d) Impose utilization controls intended to  
14 discourage access. **SECTION 8. EMERGENCY**  
15 **PRESCRIPTION ACCESS.** (a) A pharmacist may dispense up to  
16 a 30-day emergency supply of any maintenance prescription drug  
17 without a current prescription when interruption would reasonably  
18 endanger patient health. (b) All emergency dispensing remains  
19 subject to price caps. **SECTION 9. INFLATION LIMITATION.**  
20 (a) Annual increases to statutory payment caps shall: (I) Not  
21 exceed the Medical Consumer Price Index; and (II) Not exceed  
22 three percent annually unless approved by the legislature.  
23 **SECTION 10. TRANSPARENCY REQUIREMENTS.** (a) Drug  
24 manufacturers shall annually report: (I) Wholesale acquisition  
25 cost increases; (II) Production and research expenditures; (III)  
26 Marketing expenditures; (IV) State sales revenue. (b) Failure to  
27 report constitutes an unfair trade practice. **SECTION 11.**  
28 **ENFORCEMENT.** (a) The Attorney General may enforce this act.  
29 (b) Violations may result in: (I) Civil penalties up to \$25,000 per  
30 violation, (II) Consumer restitution, (III) Injunctive relief. (c)  
31 Residents possess a private right of action. **SECTION 12.**  
32 **SEVERABILITY.** If any provision of this act is held invalid,  
33 remaining provisions remain effective. **SECTION 13. SAFETY**

- 1 CLAUSE. The General Assembly finds this act necessary for the
- 2 immediate preservation of public peace, health, and safety.