



A CAMPAIGN BY  CALIFORNIA ACCESS COALITION  
ADVOCATING FOR ACCESS TO AFFORDABLE HEALTH CARE

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**Assemblymember Tom Daly Introduces Bill to Reduce Prescription Drug Costs for Californians**  
*AB 2942 will reform the current prescription drug rebate system that benefits corporations and does nothing to lower out-of-pocket costs for patients at the pharmacy counter*

**(SACRAMENTO, CA)** – California patients will see the cost of their prescription medications lowered under a bill introduced by Assemblymember Tom Daly (D-Anaheim) and sponsored by the California Access Coalition. This legislation, co-authored by Assemblymember Wendy Carrillo (D-Los Angeles), Assemblymember Mike Gipson (D-Los Angeles), Assemblymember Patrick O’Donnell (D-Long Beach), and Assemblymember Freddie Rodriguez (D-Pomona), would make prescription drugs more affordable by requiring health insurance companies to share 90% of pharmaceutical rebates with consumers at the pharmacy counter. By lowering out-of-pocket costs at the point-of-sale, this bill would ensure that patients could better afford their medicines and therefore improve adherence rates and clinical outcomes.<sup>1</sup>

“The current rebate system bypasses patients, while health insurers and pharmacy intermediaries save billions of dollars each year,” said Assemblymember Daly. “The system needs reform, so that patients will benefit from the negotiated rebates.”

Health insurance companies and pharmacy middlemen, known as Pharmacy Benefit Managers (PBMs), negotiate significant rebates and discounts when purchasing medications from drug manufacturers. The price insurers and PBMs pay ends up being significantly lower than the “list price” of the medicine – the price a patient with a commercial health plan pays at the pharmacy counter. This leads to many patients, particularly those in high-deductible health plans, paying thousands of dollars each month at the pharmacy counter.

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<sup>1</sup> California Health Benefits Review Program (CHBRP). (2022). Abbreviated Analysis of California Assembly Bill 933 Prescription Drug Cost Sharing. Berkeley, CA.

“It’s unfathomable that not a dime of negotiated rebates goes to help patients afford their medications, especially when we know that the high cost of prescription drugs leads to thousands of patients not filling or taking their medications as directed,” said Le Ondra Clark Harvey, PhD, Executive Director of the California Access Coalition. “By reforming the current system, at least 836,000 Californians will immediately see a reduction in out-of-pocket costs for their medications.”

The California Health Benefits Review Program (CHBRP) analysis of the legislation found that California patients would see \$70.8 million in savings at the pharmacy counter if AB 2942 is passed into law, leading to only a 0.3% average increase for premiums. In addition, the analysis found that it is easily possible for pharmacy software to be updated to calculate new cost-sharing amounts and net allowed retail costs after rebates to allow for compliance with AB 2942.

“Every month, I go to the pharmacy to pick up my daughter’s prescription, which prevents excruciating flare ups that cause her skin to bubble like a third-degree burn,” said Colleen Henderson, the mother of a daughter with Hidradenitis Suppurativa. “Even though I have insurance, my out-of-pocket cost is more than \$5,000 per month for one prescription. What’s the point of insurance if I have it and still can’t afford the medication my daughter needs?”

With passage of AB 2942, commercial health insurance plans regulated by the state will be required to pass on at least 90% of rebates to patients, making their prescriptions more affordable and helping to ensure they stay healthy. The bill does *not* impact federally regulated employer sponsored health plans or insurance trusts.

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#### ***About California Access Coalition***

**Patients Before Profits** is a campaign by the California Access Coalition (CAC). CAC is a network of local and state behavioral health organizations, patient advocacy groups, and pharmaceutical companies that advocate to eliminate barriers that keep Californians from accessing medication and behavioral health treatment. Follow CAC on [Twitter](#) and learn more by visiting [www.californiaaccesscoalition.org](http://www.californiaaccesscoalition.org).