

Governor Phil Murphy

ICYMI: AG Platkin, Division of Consumer Affairs Announce New Rules Aimed at Promoting Greater Transparency in Prescription Drug Pricing, Including How and Why Prices Are Increased

Posted on - 10/16/2024

TRENTON – Advancing the Murphy Administration’s efforts to rein in the high cost of prescription drugs in New Jersey, Attorney General Matthew J. Platkin and the Division of Consumer Affairs (“Division”) today announced specially adopted new rules promoting greater transparency in prescription drug pricing.

The new rules, which became effective upon acceptance for filing by the Office of Administrative Law yesterday, implement P.L. 2023, c. 106, signed into law by Governor Murphy in July 2023 as part of a legislative package to combat the rising costs of prescription drugs in the state.

“The high cost of prescription drugs is a financial burden that disproportionately impacts the health and well-being of the most vulnerable among us: low-income families, the elderly, the uninsured, and people with disabilities,” **said Attorney General Matthew J. Platkin.** “Until now, we’ve been kept in the dark about the main drivers of high prescription drug costs. The new rules allow us to gain greater insight into prescription drug pricing and a better understanding of how we can help advance the goal of prescription drug affordability and accessibility.”

The new rules establish registration, reporting, and compliance requirements for five entities across the prescription drug supply chain—manufacturers, insurance carriers, pharmacy benefits managers, wholesalers and pharmacy services administrative organizations. The entities will be required to provide the Division with information and data pertaining to drugs with significant price increases or high launch prices and other drugs of interest. The Division will then use this information to produce an annual report on emerging trends in prescription drug prices. The report, which will be posted on the Division’s newly created prescription drug pricing webpage, will also be used to help the newly created Drug Affordability Council formulate legislative and regulatory policy recommendations focused on prescription drug affordability.

“Establishing rules for the collection, analysis, and reporting of information that sheds light on drug pricing is integral to the Division’s core mission of ensuring fairness and transparency in the market for goods and services,” **said Cari Fais, Acting Director of the Division of Consumer Affairs.** “The information we collect will help us identify factors that contribute to the high cost of prescription drugs and improve oversight of the drug industry to the benefit of New Jersey consumers.”

Under the new rules:

- **Manufacturers** must notify the Division of price increases and new drugs that meet statutory price thresholds, and then report more detailed information on those drugs to the Division;
- **Carriers** must report to the Division information on spending for the top 25 prescription drugs and drug groups in certain categories;
- **Pharmacy Services Administrative Organizations (PSAOs)** must report negotiated reimbursement rates to the Division; and
- **Wholesalers and Pharmacy Benefits Managers** must provide pricing, volume, and discount information for drugs and drug groups identified by the Division as a result of the information provided by the manufacturers, carriers, and PSAOs.

The specially adopted new rules shall be effective for a period not to exceed 545 days from the date of filing. Concurrently, the provisions of the new rules will be proposed for readoption and published in the NJ Register on November 18, 2024, in accordance with the normal rulemaking requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

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[Administration](#)

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