



September 20, 2017

Governor Jerry Brown
State Capitol, 1st Floor
Sacramento, CA 95814

RE: SB 17 (Hernandez): Health care: prescription drug costs – Request for Signature

Dear Governor Brown:

I am writing on behalf of the American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, to let you know that we strongly support your proposed legislation SB 17 (Hernandez). This bill would require health plans and health insurers that report information on premium rates to their regulator to also include specified information relating to prescription drug spending. This bill would also require drug manufacturers to report to state purchasers of health care services when drug prices are going to increase by more than specified percentages or when new drugs costing more than the Medicare specialty drug threshold are going to be introduced to the market.

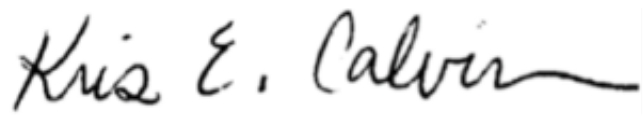
Due to rising prices, prescription drugs account for a significant percentage of premiums. Prices for both new drugs and those that have been on the market for decades are increasing at an unsustainable pace. This has greatly impacted children who depend on certain drugs to live full, healthy and happy lives, whose families struggle to pay for rapid price increases that threaten to remove access to these drugs for the most vulnerable. This is an untenable situation that must be fixed to protect the health and well-being of California children.

SB 17 (Hernandez) would give health care purchasers, like employers and state and local government, a tool to manage and control rising prescription drug costs. This would in turn benefit children who require access to these drugs, as well as children of parents who rely on certain medications and may struggle to pay for essential household expenses as a result of rapidly increasing drug prices.

Pediatricians across the state support SB 17 (Hernandez). We thank you for your leadership on behalf of the health and well-being of children, youth, and families in California.

Sincerely,

Elizabeth Kuilanoff, M.D., M.P.H.

A handwritten signature in black ink that reads "Kris E. Calvin" with a long, sweeping horizontal line extending from the end of the name.

Kris Calvin
Senior Policy Analyst, AAP-CA Chief Executive Officer
American Academy of Pediatrics, California