Source Short: Senate Passes Legislation Banning Gag-clauses in Pharmacy Contracts

On Monday, September 17, the Senate overwhelmingly passed S.2554, the Patient Right to Know Drug Prices Act, with a vote of 98-2.[1] Congress appears to be building on the momentum of recent state action to prohibit gag-clauses that prevent pharmacists from telling insured patients when the cost of their co-payment exceeds the cash price of the drug. While the Senate bill does not forbid pharmacists from collecting more than the cash price for a prescription, it does allow them to tell patients when their out-of-pocket costs using their health plan exceed the amount they would pay without using their insurance. The bipartisan support for this bill and the passage of similar legislation in 25 states in the past two years[2] show an increasing willingness of legislators to pass consumer protection laws to prevent anticompetitive behavior by the pharmaceutical industry. Be sure to check out the Source's Spotlight on 2018 State Drug Legislation posts for more information.

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[1] The two senators voting "nay" were Senator Mike Lee (R-Utah and Senator Rand Paul (R-Kentucky)

[2] In addition, Texas passed anti-gag clause legislation in 2012 (SB 1076).