



New Reporting Requirements on Prescription Drug Spending

On November 17, 2021, the Department of Health and Human Services, the Department of Labor, and the Treasury Department (the Departments) issued an interim final rule under the No Surprises Act requiring group health plans and health insurance issuers to annually submit key data about prescription drug and health care spending. The Departments will analyze the data and issue biennial public reports on prescription drug pricing trends and the impact of prescription drug costs on premiums and out-of-pocket costs starting in 2023. The aim of the reports is to enhance transparency and shed light on how prescription drugs contribute to the growth of healthcare spending and the cost of health care coverage.

The data submission requirements include enrollment and premium information, including average monthly premiums paid by

employees. Health plans and health insurance issuers will also need to report total health care spending by the type of care patients receive. This includes spending on hospital care, primary care, specialty care, prescription drugs, and wellness programs.

Since prescription drugs account for a significant portion of health care spending for consumers, health plans, and health insurance issuers, the interim final rule includes a requirement to identify specific cost drivers. Plans and issuers will be required to provide the Departments with an annual overview of their top 50 prescription drugs across key areas of concern, including:

- The 50 most frequently dispensed brand name drugs;
- The 50 costliest prescription drugs by total annual spending;
- The 50 prescription drugs with the greatest increase in plan or coverage expenditures from the previous year.

Additional information on drug rebates paid by prescription drug manufacturers to health plans, health insurance issuers, and pharmacy benefit managers – including details about the top 25 drugs generating the highest rebate amounts – will provide the Departments with a complete picture of prescription drug costs and fluctuations in their costs.

The new data submission requirements will apply starting with data from the 2020 calendar year. However, the Departments are deferring enforcement of the new requirements until December 27, 2022, to give regulated entities ample time to comply. This means that the required information for 2020 and 2021 is due by December 27, 2022, although it may be submitted sooner.

[Full text of fact sheet \(HHS, Nov. 17, 2021\)](#)

[Full text of interim final rule \(HHS, DOL, Treasury, Nov. 21, 2021\)](#)