

1           A RESOLUTION encouraging the United States Congress to pass legislation that  
2 permits the United States Centers for Medicare and Medicaid Services to negotiate with  
3 pharmaceutical companies for fair and reasonable prices on prescription drugs.

4           WHEREAS, nine in ten Americans use prescription drugs, and three in four  
5 Americans say drug prices are unreasonable; and

6           WHEREAS, drug makers spend more on marketing, including direct-to-consumer  
7 advertising, than they do on research and development used to discover innovative  
8 pharmaceutical treatments; and

9           WHEREAS, drug makers rarely disclose critical information related to the costs of  
10 production and pricing, including the share of research and development paid for by the  
11 manufacturer and by public agencies, marketing and advertising costs directed at  
12 consumers, prices charged to different buyers, and net prices after rebates; and

13           WHEREAS, prescription drug costs are a major contributing factor to the rising  
14 cost of employer-sponsored and collectively bargained health plans; and

15           WHEREAS, prescription drugs are the single fastest-growing component of  
16 employer-sponsored insurance, accounting for 17 percent of total healthcare spending in  
17 2016; and

18           WHEREAS, drug makers, often under the ownership of hedge funds and private  
19 equity firms, routinely increase prices for certain drugs without improving the therapeutic  
20 value to patient; and

21           WHEREAS, rising prices for prescription drugs, combined with an increase in  
22 patient cost-sharing, such as copays, coinsurance, and deductibles, decrease the  
23 likelihood of adherence to treatment recommendations, resulting in worse health  
24 outcomes for patients and in wasteful spending;

25           WHEREAS, high prescription drug prices pose a barrier to patients' ability to  
26 access needed care; and

27           WHEREAS, while the Medicare Modernization Act of 2003 prohibits the federal

1 government from negotiating drug prices, the government uses its bulk purchasing power  
2 to benefit veterans and Medicaid recipients;

3 NOW, THEREFORE,

4 *Be it resolved by the House of Representatives of the General Assembly of the*  
5 *Commonwealth of Kentucky:*

6 ➔Section 1. The General Assembly encourages the United States Congress to  
7 pass legislation that permits the United States Centers for Medicare and Medicaid  
8 Services to negotiate with pharmaceutical companies for fair and reasonable prices on  
9 prescription drugs.

10 ➔Section 2. The Clerk of the House of Representatives is directed to transmit a  
11 copy of this Resolution to each member of the Kentucky United States Congressional  
12 delegation.