

1 **CONCURRENT RESOLUTION ENCOURAGING**
2 **CONGRESSIONAL ACTION ON PRESCRIPTION DRUG PRICES**

3 2020 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Suzanne Harrison**

6 Senate Sponsor: Evan J. Vickers

8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution urges the United States Congress to address escalating
11 prescription drug prices.

12 **Highlighted Provisions:**

13 This resolution:

- 14 ▶ highlights the impacts of prescription drug prices on medication adherence and
15 health outcomes;
- 16 ▶ highlights the growth in prescription drug spending;
- 17 ▶ highlights the difference between the prices paid for single-source brand name
18 prescription drugs in the United States and the prices paid for single-source brand
19 name prescription drugs in other countries;
- 20 ▶ highlights potential Medicare savings;
- 21 ▶ highlights the inability of the secretary of the United States Department of Health
22 and Human Services to influence Medicare prescription drug prices; and
- 23 ▶ urges the United States Congress to promote innovative, market-based solutions and
24 take specific steps to address escalating prescription drug prices.

25 **Special Clauses:**

26 None

28 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

29 WHEREAS, at least 49% of Utah adults worry they won't be able to afford the

30 prescription drugs they need;

31 WHEREAS, 29% of Utah adults do not fill a prescription, cut prescribed pills in half,
32 or skip doses;

33 WHEREAS, non-adherence to prescribed drug treatments leads to increased morbidity,
34 mortality, and health system costs;

35 WHEREAS, spending on prescription drugs nationwide has recently grown at more
36 than 2.5 times the rate of inflation;

37 WHEREAS, prices paid for prescription drugs in the United States are often higher than
38 prices paid for prescription drugs in other countries;

39 WHEREAS, one recent study of 79 single-source brand name drugs accounting for
40 40% of Medicare Part D spending showed that the pre-rebate prices charged in the United
41 States are 1.3 to 70.1 times the amounts charged in Canada, the United Kingdom, and Japan;

42 WHEREAS, the study concluded that the overall, post-rebate cost of those 79 drugs
43 was 3.2 to 4.1 times higher in the United States than the three other countries;

44 WHEREAS, the study concluded that manufacturer discounts would have to more than
45 double, to 78% of the wholesale acquisition cost, to eliminate the price differential between the
46 United States and the other three countries;

47 WHEREAS, if post-rebate prices paid for those 79 drugs in the United States were
48 reduced to equal the average post-rebate cost in two or more of the other three countries,
49 Medicare spending on those drugs would be reduced by 67%, or \$37.9 billion in 2018;

50 WHEREAS, in many countries other than the United States, the prices paid to drug
51 manufacturers are based on the prices paid in other countries;

52 WHEREAS, the 2003 Medicare Modernization Act, which established the Medicare
53 Part D drug benefit, allows Medicare prescription drug plans to individually negotiate with
54 drug manufacturers and pharmacies but prohibits the secretary of the United States Department
55 of Health and Human Services from becoming involved in negotiations, establishing
56 formularies, or instituting price structures;

57 WHEREAS, Congress is considering multiple bills that would enable the secretary to

58 engage in meaningful negotiations with drug manufacturers; and

59 WHEREAS, at least one of those bills has the potential to reduce Medicare prescription
60 drug spending, which totaled nearly \$130 billion in 2016, by nearly \$80 billion annually by
61 2027:

62 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
63 Governor concurring therein, urges the United States Congress to promote innovative,
64 market-based solutions to escalating prescription drug prices.

65 BE IT FURTHER RESOLVED that the Legislature and the Governor urge Congress to
66 consider solutions like Civica Rx, a Utah-based nonprofit drug manufacturer providing a steady
67 supply of generic drugs to over 1,200 hospitals nationwide at a fraction of the commercial cost.

68 BE IT FURTHER RESOLVED that the Legislature and the Governor urge Congress to
69 promote price transparency at all levels of the prescription drug supply chain, enact patent
70 reform, safely accelerate the approval process for new drugs, promote competition, remove
71 barriers to value-based purchasing, and provide Medicare with the policy tools necessary to
72 negotiate significant reductions in the prices it pays for prescription drugs.

73 BE IT FURTHER RESOLVED that a copy of this resolution be provided to Utah's
74 congressional delegation and the majority and minority leaders of the United States Senate and
75 the United States House of Representatives.