

**CONCURRENT RESOLUTION ENCOURAGING
CONGRESSIONAL ACTION ON MEDICARE DRUG PRICES**
2020 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Suzanne Harrison

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This concurrent resolution encourages the United States Congress to provide Medicare with the policy tools necessary to negotiate significant reductions in the prices it pays for prescription drugs.

Highlighted Provisions:

This resolution:

- ▶ highlights the impacts of prescription drug prices on medication adherence and health outcomes;
- ▶ highlights the growth in prescription drug spending;
- ▶ highlights the difference between the prices paid for single-source brand name prescription drugs in the United States and the prices paid for single-source brand name prescription drugs in other countries;
- ▶ highlights potential Medicare savings;
- ▶ highlights the inability of the secretary of the United States Department of Health and Human Services to influence Medicare prescription drug prices; and
- ▶ encourages the United States Congress to provide Medicare with the policy tools necessary to negotiate significant reductions in the prices it pays for prescription drugs.

Special Clauses:



28 None

29

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

31 WHEREAS, at least 49% of Utah adults worry they won't be able to afford the
32 prescription drugs they need;

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

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

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

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

41 WHEREAS, one recent study of 79 single-source brand name drugs accounting for
42 40% of Medicare Part D spending showed that the pre-rebate prices charged in the United
43 States are 1.3 to 70.1 times the amounts charged in Canada, the United Kingdom, and Japan;

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

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

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

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

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

59 WHEREAS, Congress is considering multiple bills that would enable the secretary to
60 engage in meaningful negotiations with drug manufacturers; and

61 WHEREAS, at least one of those bills has the potential to reduce Medicare prescription
62 drug spending, which totaled nearly \$130 billion in 2016, by nearly \$80 billion annually by
63 2027:

64 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
65 Governor concurring therein, encourages the United States Congress to provide Medicare with
66 the policy tools necessary to negotiate significant reductions in the prices it pays for
67 prescription drugs.

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