



## Legislation Text

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### Res. No. 1018

Resolution calling on the New York State Legislature to pass, and the Governor to sign, legislation to monitor and deter increases in prescription drug costs.

By Council Members Cabrera and Cornegy

Whereas, Rising prescription drug prices have become the concern of many policymakers, advocates, and consumers; and

Whereas, National Public Radio (NPR) reports that the increasing costs of prescription drugs in the United States is due primarily to price increases, not new therapies or improvements; and

Whereas, In January 2019, Health Affairs published a study finding that the cost of brand-name oral prescription drugs rose more than 9 percent a year from 2008 and 2016, while the annual cost of injectable drugs rose more than 15 percent; and

Whereas, According to Kaiser Family Foundation, in 2018 the retail sales for prescription drugs filled at pharmacies was nearly \$380 billion; and

Whereas, Roughly 6.76 percent (about \$25.6 billion) of those sales took place in New York State; and

Whereas, New York State had higher retail prescription drugs per capita (13.8) than the national average (11.6) in 2018; and

Whereas, According to Kaiser Family Foundation, a fourth of people taking prescription drugs (24 percent) and seniors taking drugs (23 percent) say it is difficult for them to afford their medications; and

Whereas, According to the New York City Comptroller, from 2016 to 2017, health care expenses comprised a higher percentage of average monthly basic expenses for City residents; and

Whereas, For example, a married couple with two children living in New York City spent 8.1 percent of

their basic monthly expenses on health care in 2016, and in 2017 the share increased to 9.5 percent; and

Whereas, According to a report released by the New York State Health Foundation, patients are responsible for a higher out-of-pocket percentage when purchasing medications compared to other health care services; and

Whereas, According to the Empire Center for Public Policy, the share of overall Medicaid spending on retail drugs in New York has roughly remained the same (around 5 percent), and New York's Medicaid drug costs are disproportionately driven by a small number of brand name medications that are high-priced; and

Whereas, The top 10 most expensive medications have accounted for 17 to 24 percent of total Medicaid drug costs in recent years; and

Whereas, Bill S.5943/A.7922, sponsored by Senator Julia Salazar and Assembly Member Daniel Rosenthal, requires the commissioner of health to include in annual reports information regarding the cost and increase in cost of certain prescription drugs; and

Whereas, The reports will examine drugs administered under the preferred drug program, a New York State Medicaid Fee-For-Service pharmacy program which promotes the use of less expensive, equally effective drugs when medically appropriate; and

Whereas, Such information would include the cost and increase in cost of the 10 prescription drugs on which the state expends the most money and which have had certain costs increased by 50 percent or more over the past 5 years or by 10 percent or more during the previous calendar year; and

Whereas, Some experts argue that cost transparency will help control the costs of medications; and

Whereas, Bill A.6606/S.141, sponsored by Assembly Member Marcos Crespo and Senator David Carlucci, relates to the price gouging of pharmaceuticals; and

Whereas, A.6606/S.141 penalizes the price gouging of pharmaceuticals, with a penalty not to exceed one million dollars, to deter pharmaceutical companies from offering or selling medications at an unconscionably excessive price; and

Whereas, Both S.5943/A.7922 and A.6606/S.141 could help New Yorkers in multiple ways, such as by limiting the sale of egregiously expensive medications and allowing policymakers to better understand the root cost of expensive medications; and

Whereas, Rising prescription drug costs is something the state needs to focus on now in order to help New Yorkers; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, legislation to monitor and deter increases in prescription drug costs.

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