



Legislation Text

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Res. No. 1532

Resolution calling upon the Congress of the United States to enact the "Prescription Drug Fairness for Seniors Act."

By Council Members Reed, Freed, Lopez, Michels, Miller, Moskowitz, Perkins, Wooten, the Public Advocate (Mr. Green); also Council Members Eisland, Koslowitz, Leffler, Nelson and Watkins

Whereas, Drug price discrimination hits hardest at those who are in most need of medication; and
 Whereas, While senior citizens comprise only 12 percent of the population, they use 37 percent of prescription drugs, filling, on average, 18 prescriptions per year; and
 Whereas, Seniors currently pay more for prescription drugs than for any other medical expenditure except physician services; and
 Whereas, According to the Senate Special Committee on Aging, one in eight senior citizens has had to choose between purchasing food and prescription drugs; and
 Whereas, The Prescription Drug Fairness for Seniors Act, (HR.664/S.731) (the "ACT") would allow 39 million Medicare beneficiaries to buy prescription drugs at up to 40 percent off current retail price, by requiring prescription drug makers to provide them with their "best" prices; and
 Whereas, The Act would not impose price controls on the pharmaceutical industry, but would simply end price discrimination while allowing companies to set their best prices as they choose; and
 Whereas, While pharmaceutical companies have argued that legislation reducing the cost of drugs would impact negatively on research and development spending, in fact, during the five-year and seven-year periods following passage of Federal legislation making lower cost generic drugs available and reducing Medicaid drug prices, drug research expenditures doubled; and
 Whereas, A June 1999 study by Merrill Lynch estimated that the Act would reduce pharmaceutical revenues by only 3.3 percent because the lower prices would substantially increase the demand for needed drugs; and
 Whereas, The Act would end price discrimination by prescription drug makers against senior citizens and the disabled on Medicare who have no or inadequate prescription drug insurance coverage; and
 Whereas, Many state studies demonstrate that pharmaceutical manufacturers charge seniors up to twice as much as most favored customers, such as the Department of Defense and Veterans Affairs; and
 Whereas, The Act would harness the purchasing power of seniors and the disabled on Medicare by requiring prescription drug makers to provide them with their best prices; and
 Whereas, The Act would enable pharmacies to purchase prescription drugs for Medicare beneficiaries from the manufacturer at the same low prices available to the Federal government and other large purchasers; and
 Whereas, The Act is not a comprehensive Medicare drug benefit but would be a good first step toward such a program by making prescription drugs more affordable for Medicare recipients; now, therefore, be it,
 Resolved, That the Council of the City of New York calls upon the Congress of the United States to enact the "Prescription Drug Fairness for Seniors Act."

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