



Legislation Details (With Text)

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Title: Resolution calling upon the New York State Legislature to pass and the Governor to sign the Pharmaceutical Cost Transparency Act (S.5338A), which would require prescription drug manufacturers to file an annual report disclosing certain financial information pertaining to high-cost prescription drugs

Sponsors: Fernando Cabrera, Alan N. Maisel

Indexes:

Attachments: 1. Senate Bill, 2. June 8, 2016 - Stated Meeting Agenda with Links to Files

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Res. No. 1100

Resolution calling upon the New York State Legislature to pass and the Governor to sign the Pharmaceutical Cost Transparency Act (S.5338A), which would require prescription drug manufacturers to file an annual report disclosing certain financial information pertaining to high-cost prescription drugs

By Council Members Cabrera and Maisel

Whereas, The cost of prescription drugs has been increasing at an alarming rate in recent years; and

Whereas, According to a report by Express Scripts (the nation’s largest pharmacy benefit manager), the average price of brand-name drugs rose 164 percent from the beginning of 2008 to the end of 2015, far outpacing the consumer price index increase of 12 percent in that same time period; and

Whereas, In 2015, allegations arose that Valeant Pharmaceuticals International Inc. may have bought the rights to a pair of life-saving heart drugs and then increased the list prices by 525 percent and 212 percent; and

Whereas, For individuals with the liver disease Hepatitis C, the cost for Sovaldi, a drug made by Gilead Sciences Inc., is \$84,000 in the United States for a 12-week course of treatment, or about \$1,000 per pill, leading many State Medicaid programs to restrict its use to the sickest patients; and

Whereas, While drug makers state that the high prices are required to recoup their investment into research and development, policy makers and consumers have no way of knowing what is the true cost of medications and what is price gouging; and

Whereas, The Pharmaceutical Cost Transparency Act (S.5338A), sponsored by Senator Ruben Diaz, aims to make information available to the public about the cost of ultra-high-priced pharmaceuticals, in order to make pharmaceutical pricing as transparent as the pricing in other sectors of the health care industry; and

Whereas, The bill would require each manufacturer of a prescription drug available in New York that has a wholesale acquisition cost of \$10,000 or more annually or per course of treatment, to file a report on the costs for each qualifying drug; and

Whereas, S.5338A would require the report to contain the total costs for the production of the drug, including research and development costs; the costs of clinical trials; the total costs for materials, manufacturing, and administration attributable to the drug; any governmental subsidies or grants; costs for the purchase of patents, licensing or acquisition of any corporate entity owning any rights to the drug while in development; and the total marketing and advertising costs for the promotion of the drug; and

Whereas, The report would also contain the total profit attributable to the drug as represented in total dollars and represented as a percentage of the total company profits that were derived from the sale of the drug, as well as the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs; and

Whereas, The bill would require the report to be submitted annually and to be audited by a fully independent third-party auditor prior to filing with the New York State Department of Health (DOH); and

Whereas, S.5338A would require DOH to issue an annual report to the State legislature outlining the information submitted by prescription drug manufacturers; and

Whereas, The Pharmaceutical Cost Transparency Act will provide policy makers and consumers with critical information on the true costs the prescription drugs; now, therefore, be it

Resolved, That the Council of the City of New York calls upon New York State Legislature to pass and the Governor to sign the Pharmaceutical Cost Transparency Act (S.5338A), which would require prescription drug manufacturers to file an annual report disclosing certain financial information pertaining to high-cost prescription drugs.

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