Legislation Details (With Text)

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Attachments:	1. Res. No. 86, 2. March 24, 2022 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 3-24-22, 4. Minutes of the Stated Meeting - March 24, 2022				

Date	Ver.	Action By	Action	Result
3/24/2022	*	City Council	Introduced by Council	
3/24/2022	*	City Council	Referred to Comm by Council	
12/31/2023	*	City Council	Filed (End of Session)	

Res. No. 86

Resolution calling on the U.S. Congress to pass, and the President to sign, S.1388, the Prescription Pricing for the People Act of 2021.

By Council Members Holden, Stevens and Yeger

Whereas, According to a 2019 report by the New York State Health Foundation, per-person prescription drug spending, based on payments made at the point-of-sale, was higher for all drug categories in New York compared with national spending; and

Whereas, Per-person spending for all prescription drug categories was more than 20 percent higher in New York ($1,300) relative to national spending ($1,065); and

Whereas, According to a 2018 article by the New York Times, the average cash price for four of the five most commonly used drugs are far more expensive in New York City than they are in other cities; and

Whereas, For example, Metformin, which is used to treat diabetes, cost $66.23 in New York City; and

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Whereas, In comparison, Metformin costs $49.36 in San Francisco and $43 in Boston; and

Whereas, For Paroxetine, a generic for Paxil that is used to treat depression, New Yorkers pay $73.55 while those in San Francisco and Boston only pay $53.78 and $47.34, respectively; and

Whereas, At the federal level, the U.S. Senate has been examining the ever increasing price of prescription drugs; and

Whereas, During a 2019 hearing held by the Senate Committee on Finance, the Committee looked at the role that Pharmacy Benefit Managers (PBMs) have in increasing the cost of pharmaceuticals for the consumer; and

Whereas, PBMs are considered 'middlemen' in the prescription drug pricing scheme; and

Whereas, PBMs are themselves large corporations, and the three largest - OptumRx, Express Scripts and CVS Caremark - control 80 to 85 percent of the market, according to a 2019 report of the New York State Senate's Committee on Investigations and Government Operations; and

Whereas, The role of PBMs is to negotiate with the drug manufacturers, using their buying power to get the best deal on medications on behalf of insurance companies and their customers; and

Whereas, However, many have argued that PBMs act only to increase their bottom line and that consumers are paying the price; and

Whereas, The National Community Pharmacists Association, for example, argues that PBMs will select medications for inclusion on a plan according to the rebate that is paid to the PBM rather than the consumers' best interests; and

Whereas, The Community Oncology Alliance also produced a report, in 2017, on the ways that PBMs drive up prices for consumers; and

Whereas, Part of the difficultly in assessing the actions of PBMs, however, stems from the fact that there is little regulation of the industry and it lacks transparency because the PBMs argue that they need to keep

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their processes secret to protect their negotiating power; and

Whereas, According to Ted Okon, Executive Director of the Community Oncology Alliance, "we have come to a point where not only are PBMs not doing anything good, they are actually doing the opposite. Delays, problems with access and higher prices are all resulting from how PBMs are operating. They are pushing drug prices higher and placing extreme pressure on pharmacies because they want to steer that business toward themselves"; and

Whereas, The problems identified with PBM operations is a driving force behind the Prescription Pricing for the People Act of 2021; and

Whereas, Introduced by Senator Grassley, S.1388 requires the Federal Trade Commission (FTC) to examine whether the actions of PBMs amounts to anti-competitive behavior; and

Whereas, Given that New Yorkers already pay high amount for their prescription drugs, it is vital that Congress act to drive prices down; now, therefore, be it

Resolved, That the U.S. Congress passes, and the President signs, S.1388, the Prescription Pricing for the People Act of 2021.

Session 12
EB
LS 2650
03.04.2022

Session 11
LMS
LS 10924
Res. 0999-2019

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