



Legislation Text

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Res. No. 999

Resolution calling on the U.S. Congress to pass, and the President to sign, S.1227/H.R.2376, the Prescription Pricing for the People Act of 2019.

By Council Member Holden

Whereas, When it comes to prescription drug prices, New York City is the most expensive city in the Country; and

Whereas, According to 2018 data, New York City residents pay more than 20% above the national average for their medications; and

Whereas, The New York Times reports that the average cash price for 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, costs \$66.23 in New York City; and

Whereas, In comparison, a person in San Francisco only pays \$49.36 and a person in Boston only pays \$43 for the same medication; 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, Earlier this year the Senate Committee on Finance held a three part hearing on drug pricing in America; and,

Whereas, During the third hearing, 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 70% of the market; 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 difficulty 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 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 2019; and

Whereas, Introduced by Congressmen Doug Collins (R-GA) and Jerry Nadler (D-NY), this bill requires the Federal Trade Commission (FTC) to examine whether the actions of pharmacy benefit managers amounts to anti-competitive behavior; and

Whereas, Given that New Yorkers already pay the highest 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.1227/H.R.2376, the Prescription Pricing for the People Act of 2019.

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