

HEALTH AND HUMAN SERVICES

Resolution HHH-21-21

A RESOLUTION ON AFFORDABILITY OF MEDICINES

WHEREAS, medicines are a critical investment for improving patient health and reducing overall cost to the broader health care system;

WHEREAS, according to the Healthcare Institute of New Jersey between 1980 and 2010, medical advancements helped add 5 years to U.S. life expectancy;

WHEREAS, according to the American Cancer Society, due in part to advances in medicines, the cancer death rate declined by 29 percent from 1991 to 2017, including a 2.2 percent drop from 2016 to 2017, the largest single-year drop in cancer mortality ever reported;

WHEREAS, out-of-pocket costs that are required by health insurers for innovative prescription drugs have been steadily increasing in the form of higher deductibles and coinsurance;

WHEREAS, patients are exposed to deductibles receive no benefit from their insurance plan early in the plan year to help reduce their health care costs;

WHEREAS, according to PricewaterhouseCoopers (PwC), between 2012 and 2017, the share of employer sponsored health plans requiring patients to meet a deductible for prescription medicines increased from 23% to 52%;

WHEREAS, according to the Kaiser Family Foundation, average annual deductibles for family coverage range from nearly \$3,000 for health plans offered by employers to more than \$13,000 for bronze plans available on the Health Insurance Exchange, and after the deductible is met, coinsurance for many brand medicines can be as high as 30% to 50%;

WHEREAS, health plans and pharmacy benefit managers (PBMs) negotiate substantial discounts and rebates on brand medicines, but these discounted prices are not made available to patients;

WHEREAS, in 2019 pharmaceutical manufacturers paid more than \$175 billion in rebates, discounts, and other price concessions to health plans, the government, and other entities, which lowered the net price of brand medicines by an average of 45%;

WHEREAS, unlike other medical services, health plans require patients with deductibles or coinsurance to pay cost sharing based on a medicine's full undiscounted price; and

WHEREAS, because health plans typically do not pass along the savings from manufacturer rebates to patients, out-of-pocket costs are significantly higher brand medicines than they would be if based on the discounted cost of the medicine.

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THEREFORE BE IT RESOLVED, that the National Black Caucus of State Legislators (NBCSL) believes that prescription medicines are a critical tool in preventing, treating and curing disease;

BE IT FURTHER RESOLVED, that the NBCSL supports manufacturer rebates and discounts paid to health plans and PBMs being passed through directly to the consumer at the pharmacy counter to lower out-of-pocket cost;

BE IT FURTHER RESOLVED, that the NBCSL reiterates its belief that deductibles and co-payments must be reduced to make healthcare affordable and obtainable for all Americans; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials and agencies as appropriate.

SPONSOR(S): Representative Lamar London (TN), Representative Robin Shackleford (IN), and Representative Karen Camper (TN)

Committee of Jurisdiction: Health and Human Services Policy Committee

Certified by Committee Co-Chairs: Representative David J. Mack, III (SC) and Senator Marilyn Moore (CT)

Ratified in Plenary Session: Ratification Date is December 3, 2020

Ratification is certified by: Representative Gilda Cobb-Hunter (SC), President