

Resolution

Medicare Prescription Drug Negotiations

Whereas prescription drug costs continue to rise and seniors are having a hard time making ends meet and oftentimes have to choose between food and medicine; and

Whereas Wall Street investors are buying up the rights to older and off patented, generic drugs with few or no competition and substantially raising their prices, including a 40 year old cancer drug, which rose 1400%; and

Whereas between 2003 and 2013 the price of insulin, an off patent, 100 year old drug, tripled and a study found that one in four diabetic patients admitted to rationing insulin due to its costs; and

Whereas a report conducted in 2015 by the Minority Staff of the U.S. Senate Homeland Security and Governmental Affairs Committee that looked at the top 20 prescribed drugs in the U.S. for seniors found that on average, prices for these drugs increased 12% every year for the last five years—approximately ten times higher than the average annual rate of inflation, 12 of these drugs had their prices increased by over 50% in the same period, and 6 of the 20 had prices increases of over 100%; and

Whereas as the report also found that average wholesale price of one of the drugs – Nitrostat, which is used to prevent a heart attack,



rose by 477% over the same five-year period; and

Whereas the Medicare Part D prescription drug plan explicitly prohibits the Secretary of Health and Human Services from negotiation lower prices with pharmaceutical companies on behalf of seniors; and

Whereas other public programs like Medicaid, the Defense Department and the Veterans Administration (VA) are able to negotiate lower drug prices; and

Whereas research shows that if Medicare enjoyed the same discounts as the VA, Medicare would save \$16 billion a year.

Therefore, let it be resolved that the Alliance for Retired Americans supports legislation repealing the prohibition against Medicare negotiating drug prices in the Medicare Prescription Drug, Improvement and Modernization Act of 2003 and requiring the Secretary of Health and Human Services to negotiate prices with pharmaceutical companies;