

Resolution

Medicare Prescription Drug Negotiations

Whereas Americans pay the highest drug prices in the world; and

Whereas according to a March 2021 report by the Government Accountability Office (GAO), in 2020, Americans paid two to four times more for 20 brand-named drugs than people in Canada, France and Australia; and

Whereas prescription drug costs continue to rise above the rate of inflation; and

Whereas, seniors often times have to decide between purchasing prescription drugs and other necessities; and

Whereas one in four people over the age of 65 report not taking one or more prescription drugs as prescribed due to their cost; and

Whereas more than 8 million Americans use insulin to control their diabetes at an annual per capita cost in the United States of just under \$6,000 per year per patient; and

Whereas insulin has been on the market in its current form since 1996, and the price of insulin nearly doubled between 2012 and 2016, and one study found that one in four diabetic

patients admitted to rationing insulin due to its costs; and

Whereas the 2003 Medicare Prescription Drug, Improvement and Modernization Act of 2003 explicitly prohibits the Secretary of Health and Human Services from negotiating lower prices with pharmaceutical companies on behalf of Medicare beneficiaries; and

Whereas H.R. 5376 and H.R. 6833, passed by the House in November 2021 and March 2022 respectively, would together allow the Department of Health and Human Services to negotiate lower drug prices and place a cap on out-of-pocket costs on Medicare prescriptions as well as the price of insulin; and

Therefore, be it resolved that the Alliance for Retired Americans supports legislation to lower the price of prescription drugs that includes:

- Empowering the Department of Health and Human Services to negotiate lower prescription drug prices for all payers;
- Establishing an insulin price cap at \$35 a month;
- Establishing a Medicare out-of-pocket cap of \$2,000 a year;
- Limiting drug prices to the International Price Index;
- Implementing an excise tax on drug corporation profits for those who refuse to negotiate or those that do not comply with agreed upon pricing following negotiations; and
- Limiting drug price increases in Medicare Parts B and D.