



NEW YORK STATE SENATOR

David Carlucci

With Rx Prices Skyrocketing 4X Inflation, AARP NY Launches Campaign to Back State Legislative Package Protecting Consumers

SENATOR DAVID CARLUCCI May 14, 2019

| ISSUE: **PRESCRIPTION DRUG COSTS**



ALBANY, NY – With the cost of prescription drugs skyrocketing four times faster than inflation and Americans paying the highest brand-name drug prices in the world, AARP New York today launched a campaign to #StopRxGreed by supporting a package of state legislation aimed at helping New Yorkers get the medications they need without breaking the bank.

About 150 AARP volunteers from across New York converged on the state Capitol today to call on their state legislators to back the package, while AARP New York launched ads around the state urging the bills' passage and enactment.

"We are going to stand up and join with Governor (Andrew) Cuomo and our administration and do everything we can to reel in the exorbitant, unconscionable prices of prescription drugs," **Lt. Gov. Kathy Hochul said** in addressing the volunteers, "because I tell you, you've got a lot more to worry about on your minds than whether or not you're going to be able to make ends meet, and there should be no additional costs for prescription drugs. I live on the border with Canada. It is so much easier to go over to Canada and get the same drug so much cheaper. What the heck is going on in our country?"

The campaign is part of AARP's nationwide "Stop Rx Greed" initiative and will involve continued grass-roots advocacy and paid media through the remainder of the 2019 state legislative session in support of legislation to:

Allow the safe importation of prescription drugs at a far lower price than New Yorkers must now pay S5682 (Skoufis) /A7588 (Gottfried);

Force pharmaceutical companies to reveal "pay to delay" deals in which they pay to keep lower-priced generic drugs from reaching the market sooner (S5169-Biaggi/ A7196 – DenDekker), and;

Empower the state attorney general to prosecute drug-makers for price gouging (S141 – Carlucci/ A6606 – Crespo).

"We must stop the ever-increasing costs of prescription drugs as our population ages and older Americans take an average of 4.5 medications a month," **said AARP New York State Director Beth Finkel**. "These bills provide a tangible, effective and immediate way our state legislators can help protect their constituents."

“AARP is working in Washington and in state capitals from coast to coast to pass commonsense, bipartisan legislation to lower prescription drug prices now,” **said AARP National Volunteer President C. Alicia Georges of the Bronx.**

“It isn’t fair to keep New Yorkers in the dark about why they cannot access affordable versions of their prescriptions,” **said State Senator Alessandra Biaggi (D-Bronx/Westchester), sponsor of S5169.** “The purpose of this bill is to keep big-pharma accountable, and shed light on the harmful agreements between pharmaceutical manufacturers that are contributing to the unattainable cost of life-saving medicine.”

"Big pharma has to stop charging these outrageous and unfair prices for life-saving drugs," **said State Senator David Carlucci (D-Rockland/Westchester), sponsor of S141.** “The level of greed here is disgusting. Many seniors, middle class families, and low income individuals are being forced to choose between their medicine or groceries. This is why I sponsor legislation to stop price gouging and allow the Attorney General to go after the pharmaceutical companies and fine them. This is what it takes, hitting big pharma where it hurts, their pockets. Thank you AARP for your steadfast support of my bill."

“I was paying almost \$2,000 a year to take Eliquis twice a day after two pulmonary embolisms even with prescription drug insurance,” **said Luis Cancel of Brooklyn,** one of over 100 AARP members who responded to an on-line survey about high drug costs in little over an hour last month. “My wife is Brazilian, and when we visited our children and grandchildren there I found I could buy the exact same medication from the same drug company – Bristol-Myers Squibb – for a tiny fraction of the cost, without subsidy. American consumers and health insurance companies are being ripped off, and it has to stop.”

“It’s outrageous that Americans are being forced to pay exponentially more for life-saving and life-enhancing prescription drugs – including medications developed by American

companies relying on research funded by American taxpayer dollars – than do citizens of other countries,” **said Assembly Health Committee Chair Richard N. Gottfried**. “We’re proud to work with AARP and other organizations representing millions of New Yorkers to correct this injustice by allowing the wholesale importation of prescription drugs from countries like Canada.”

“Drug companies are gouging our seniors,” **said Fay Hill of Jamaica, Queens**, a retiree on a fixed income who is asthmatic and found her inhaler jumped in price from \$9 to nearly \$500 – over \$200 still even after her doctor helped find an alternative. “It’s outrageous and it has to stop. We want our elected officials to step in.”

Brand-name drug prices rose an average of 8.4% from 2006-2017 while the general inflation rate increased by just 2.1%. In 2015 alone, retail prices for 268 widely used brand name prescription drugs ballooned by 15.5% while the general inflation rate nudged up by just 0.1%. Numerous New Yorkers are struggling to balance the cost of needed prescription drugs with other necessities such as food and utilities – especially now that one in six New Yorkers is aged 65 or above, and approximately 14% of those older adults are living in poverty.

Nationally, nearly 40% of older adults say they may have to cut back on other necessities such as food, fuel, and electricity in order to afford prescription drugs, according to an AARP study – which found 39% of older adults did not fill a prescription – 46% of African Americans –with 63% percent say prescription drug costs are unreasonable.

The Canadian government estimates that U.S. consumers pay twice as much as Canadians for patented prescription drugs and 20 percent more for generics – and in some cases drugs sell for 10 times as much in the United States than in Canada.

The bills AARP is backing would:

Require certification from the U.S. Health and Human Services Secretary that a New York importation program meets federal requirements to ensure both product safety and consumer savings. The pharmaceutical market is already global; the United States imports more than 40% of its finished products and 80% of its active pharmaceutical ingredients, according to the U.S. Food and Drug Administration (FDA).

Require prescription drug manufacturers to disclose agreements to delay the introduction of generic drugs by authorizing the state Attorney general to post the agreements publicly so New Yorkers can see how much drug makers pay to keep lower-cost competitors out of the hands of New Yorkers who need them and for how long. The Federal Trade Commission estimates pay-for delay agreements cost American consumers \$3.5 billion per year and found these agreements prohibit generic entry for an average of nearly 17 months longer than patent settlement agreements without such payments – while consumers must continue paying as much as 85% more for brand-name drugs.

Empower the Attorney General to prosecute prescription drug price gouging. Bill sponsors note that epinephrine, an injection used to treat anaphylactic shock, shot up from \$94 for a two-pack of auto-injectors in 2007 to more than \$600 today, and that the cost of the anti-parasitic drug Daraprim skyrocketed from \$13.50 per tablet after an acquisition in August 2015 to \$750 a tablet. Prohibit a health plan from increasing patients' costs for a specific drug during the enrollment year (S2849 – Breslin / A2969 – Peoples-Stokes).

Assembly Majority Leader Crystal Peoples-Stokes said: “Fair is fair; changing the rules in the middle of the game is unfair. I’m proud to sponsor a bill (A2969) that would protect New Yorkers from mid-year price increases in contracts they – and health insurers – agreed to. That is fair.”

Senator James Skoufis said: “Each and every day, many New Yorkers are forced to choose between buying their groceries or filling their prescription. With this bill (S5682) we are saying: no more. To create significant consumer savings and combat fraud, the Legislature will work with the FDA, Commissioner of Health, and Attorney General to allow drug importation from other countries and require annual reporting to the Legislature. This will increase government oversight while creating a program for patients to access their medication without breaking the bank.”

Assemblyman Michael Den Dekker said: “The Manufacturer Disclosure and Transparency Act (A7196) is pretty straightforward. We recognize that pay-for-delay agreements are being made to prevent generic drugs from competing with brand-name drugs. We recognize that these agreements have resulted in higher drug prices at a time when consumers are already paying too much for their medication. And we recognize that higher drug prices threaten not only the financial stability of many New Yorkers, but also their health. Given the risks that these pay-for-delay deals pose, the state of New York has an interest in monitoring these agreements. All we are asking for is disclosure and transparency, and that’s the least we could do to protect this state’s most vulnerable consumers.”

RELATED LEGISLATION

2019-S141

-
- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to the price gouging of pharmaceuticals

January 02, 2019

In Senate Committee Consumer Protection

Sponsored by David Carlucci

Do you support this bill?