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4 **Senate Concurrent Resolution No. 1609**

5
6 By Senator Barnett

7
8 2-28

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10 A CONCURRENT RESOLUTION memorializing the Congress of the
11 United States regarding the high cost of prescription drugs.

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13 WHEREAS, Sales of prescription drugs are expected to exceed more
14 than \$100 billion this year, and ~~more than 39~~ **of some 55** million medicare
15 eligible Americans ~~on fixed incomes~~ **many** are paying the entire amount
16 for their prescription drugs out-of-pocket. Total spending on prescription
17 drugs has increased an average of 12.2% annually since 1993, **of which**
18 **2.6% is the average in product price increases, 5.8% is attributable**
19 **to increases in utilization and 3.8% because of new products and**
20 **therapies**, while the consumer price index has increased an average of
21 2.6% and the average increase for health-care expenditures has been
22 5.1%. The average cost of new drugs introduced since 1992 is \$71.49,
23 more than twice the average price of \$30.47 for previously existing drugs.
24 As President Clinton has stated, "In a nation bursting with prosperity, no
25 senior should have to choose between buying food and buying medicine."
26 President Bush has declared prescription drug costs a priority and has
27 proposed that medicare provide subsidies to help seniors purchase pre-
28 scription drugs from competing private insurers and would commit \$48
29 billion for state grants in the first four years of the program; and

30 ~~WHEREAS, To maximize sales, pharmaceutical manufacturers are~~
31 ~~spending billions of dollars in an unprecedented push to market prescrip-~~
32 ~~tion drugs directly to consumers, hoping that newspaper advertisements~~
33 ~~and TV commercials will fuel patient inquiries and pressure doctors to~~
34 ~~write more prescriptions. An estimated \$1.2 billion was spent on direct~~
35 ~~advertising in the year 2000 with \$183 million spent on the antihistamine~~
36 ~~Claratin; and~~

37 **WHEREAS, Pharmaceutical manufacturers spent an estimated**
38 **\$1.2 billion in 2000 for direct to consumer advertising. While ad-**
39 **vertising helps educate patients and encourages patient participa-**
40 **tion in their own health decisions, such advertising tends to increase**
41 **utilization of pharmaceutical products and health care costs; and**

42 WHEREAS, While drug manufacturers provide discounts in excess of
43 50% to "preferred buyers", ~~they discriminate against~~ community retail

1 pharmacies ~~by only providing~~ **receive only** nominal volume discounts
2 resulting in the general public paying more for their prescription medi-
3 cation; and

4 WHEREAS, The pharmaceutical industry spends about ~~21%~~ **20%** of
5 its revenues on research and development, compared to 4% in other
6 industries, with such costs being absorbed mainly by ~~individual~~ Ameri-
7 cans. **Unlike some foreign countries, the United States has not chosen**
8 **to impose price controls on prescription drugs.** ~~Drug pricing in for-~~
9 ~~ign countries is controlled by their respective governments; and~~

10 WHEREAS, The surge of prescription drug sales on the Internet and
11 through “mail order pharmacies” reflects an attempt by consumers to
12 obtain needed drugs from any source, domestic or foreign, which may
13 place consumers at risk and result in overall poor health outcomes: Now,
14 therefore,

15 *Be it resolved by the Senate of the State of Kansas, the House of Rep-*
16 *resentatives concurring therein:* That we memorialize the Congress of
17 the United States regarding the high cost of prescription drugs to indi-
18 vidual consumers and the need for assistance and relief from this circum-
19 stance; and

20 *Be it further resolved:* That the Secretary of State be directed to pro-
21 vide an enrolled copy of this resolution to the President pro tempore of
22 the United States Senate, to the Speaker of the United States House of
23 Representatives and to each member of the Kansas Congressional
24 Delegation.

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