

## House Concurrent Resolution No.

**Whereas**, Americans pay about one-third more for prescription drugs than people in other wealthy nations, with the most popular prescription drugs often costing two, three, or even four times as much in the United States as in other industrialized nations; and

**Whereas**, many lawmakers and researchers believe the high prices for brand name prescription drugs show that the United States is being used by pharmaceutical companies as a place to raise prices after other countries have regulated or negotiated for lower prices; and

**Whereas**, every industrialized nation except the United States imposes some form of price controls on prescription drugs and it is estimated that Americans overpay for prescription drugs in excess of \$20 billion dollars a year on a total annual drug bill exceeding \$125 billion dollars; and

**Whereas**, price controls in other countries are well-established, noncontroversial programs with broad political support and are often managed by small government agencies that are part of a larger nationalized health care bureaucracy; and

**Whereas**, in a typical price control program, pharmaceutical companies are required to report what they charge in certain countries, then the government demands the average or the lowest price charged in the comparison countries; and

**Whereas**, while price controls are one factor in the higher prescription drug costs in the United States, consumer advertising and a prohibition on the importation of less expensive prescription drugs also contributes to the problem; and

**Whereas**, the United States is the only industrialized nation that permits prescription drugs to be advertised directly to consumers through television commercials and print advertisements, with the ten most heavily advertised drugs being responsible for twenty-two percent of the increase in total prescription drug spending since 1993 according to the National Institute for Health Care Management; and

**Whereas**, while the United States forbids wholesalers and retailers from buying drugs at lower prices in other countries, price shopping is encouraged in many European countries such as Great Britain and Spain; and

**Whereas**, while high prescription drug prices in the United States are coming under increasing scrutiny because prescription drug costs are the fastest-growing segment of health care costs; since 1993 they have risen at a twelve percent annual rate; and

**Whereas**, the only price control system in place in the United States applies only to the federal government, with pharmaceutical companies being required by law to sell drugs to the government at the best wholesale price given to other large United States customers, resulting in the four biggest federal customers - the Veterans Administration, Defense Department, Coast Guard and Public Health Service/Indian Health Service - receiving an additional twenty-four percent discount or essentially the international price for the federal government; and

**Whereas**, while those four departments account for less than two percent of the prescription drug market in the United States, Medicaid prescriptions account for another ten percent of the market and are covered by a weaker form of drug pricing in which drug companies pay rebates of eleven to fifteen percent of the average wholesale price to the federal and state governments; and

**Whereas**, it is time for federal and state governments to consider a prescription drug price control system which includes greater regulation of prescription drug advertising and a lifting of the ban on the importation of less expensive drugs:

**Now, therefore, be it resolved** that the members of the House of Representatives of the Ninety-first General Assembly, Second Regular Session, the Senate concurring therein, hereby urge the United States Congress to enact legislation to address the issue of price controls for prescription drugs sold in the United States; and

**Be it further resolved** that the Chief Clerk of the Missouri House of Representatives be instructed to prepare properly inscribed copies of this resolution for each member of the Missouri Congressional Delegation.

Offered by Representative David L. Reynolds

Ted Wedel, Chief Clerk of the House of Representatives, and Terry L. Spieler, Secretary of the Senate, do hereby certify that the aforementioned is a true and correct copy of House Concurrent Resolution No. , adopted by the House of Representatives on , 2002, and concurred in the Senate on , 2002.

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Chief Clerk of the House of Representatives

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Secretary of the Senate