

House Concurrent Resolution No. 27

91ST GENERAL ASSEMBLY

4428L.011

1 **Whereas**, Americans pay about one-third more for prescription drugs than people
2 in other wealthy nations, with the most popular prescription drugs often costing two, three, or
3 even four times as much in the United States as in other industrialized nations; and
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5 **Whereas**, many lawmakers and researchers believe the high prices for brand name
6 prescription drugs show that the United States is being used by pharmaceutical companies as a
7 place to raise prices after other countries have regulated or negotiated for lower prices; and
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9 **Whereas**, every industrialized nation except the United States imposes some form
10 of price controls on prescription drugs and it is estimated that Americans overpay for prescription
11 drugs in excess of \$20 billion dollars a year on a total annual drug bill exceeding \$125 billion
12 dollars; and
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14 **Whereas**, price controls in other countries are well-established, noncontroversial
15 programs with broad political support and are often managed by small government agencies that
16 are part of a larger nationalized health care bureaucracy; and
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18 **Whereas**, in a typical price control program, pharmaceutical companies are
19 required to report what they charge in certain countries, then the government demands the
20 average or the lowest price charged in the comparison countries; and
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22 **Whereas**, while price controls are one factor in the higher prescription drug costs
23 in the United States, consumer advertising and a prohibition on the importation of less expensive
24 prescription drugs also contributes to the problem; and

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

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

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

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

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

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54 **Whereas**, it is time for federal and state governments to consider a prescription
55 drug price control system which includes greater regulation of prescription drug advertising and
56 a lifting of the ban on the importation of less expensive drugs:
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58 **Now, therefore, be it resolved** that the members of the House of
59 Representatives of the Ninety-first General Assembly, Second Regular Session, the Senate concurring
60 therein, hereby urge the United States Congress to enact legislation to address the issue of price
61 controls for prescription drugs sold in the United States; and
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63 **Be it further resolved** that the Chief Clerk of the Missouri House of
64 Representatives be instructed to prepare properly inscribed copies of this resolution for each member
65 of the Missouri Congressional Delegation.