

## **NJ For Affordable Drugs Resolution**

**WHEREAS**, to protect our lives and our well-being, every family in New Jersey requires access to affordable prescription drugs; and

**WHEREAS**, Drug manufacturers have developed game-changing therapies for a host of serious illnesses, including multiple sclerosis, hepatitis C and several cancers; and

**WHEREAS**, unless these medications are affordable they are not accessible to those that need them; and

**WHEREAS**, it is unfair that Americans pay the highest prescription drug prices in the world; and

**WHEREAS**, skyrocketing costs are making some medicines virtually inaccessible to individuals and families across our state; and

**WHEREAS**, overall drug prices increased almost 9% in 2016 while general inflation increased just over 2% in that same time period, and between 2012 and 2017, the average annual cost of prescription drug treatment increased 57.8% while the annual income for New Jerseyans only increased 10%; and

**WHEREAS**, prescription drug spending accounted for over 22% of each health insurance premium dollar in 2014, while U.S. residents often pay double what residents in similarly developed countries pay for the same name brand drugs;

**WHEREAS**, in 2016, 26% of New Jersey residents stopped taking medication as prescribed due to cost, and over half of Medicare beneficiaries who did not fill at least one prescription reported prohibitive costs as the reason; such non-adherence results in an estimated \$100-\$3000 billion of avoidable health care costs; and

**WHEREAS**, drug companies spent nearly \$69 million for lobbying and more than \$6 billion for advertising in 2018 resulting in nearly 80% of every Pharma dollar going to something other than research and development; and

**WHEREAS**, drug companies entirely control the supply of a newer medicine because they hold the patent rights, a monopoly on the drug for the 20-year life of the patent; and

**WHEREAS**, during the life of the patent, a drug company is able to raise the price of that medicine as frequently and as much as the market will bear; and

**WHEREAS**, Pharmaceutical companies can use the patent system to extend their monopoly on a drug beyond the expiration of its original patent; and

**WHEREAS**, the longer that a drug company is able to maintain its monopoly, the longer it can continue to charge whatever it wants for its product; and

**WHEREAS**, Prescription medications are as important to the health and safety of New Jersey residents as traditional public services or utilities such as transportation, gas, electric telecommunications, and water; and

**WHEREAS**, the difference between the affordability of traditional utilities and the affordability of prescription drugs is due in part to the active role of State Government in directing how much consumers pay for utilities and the corresponding inactive role of our State Government in directing how much consumers pay for prescription drugs; and

**WHEREAS**, state and federal agencies have a long history of health care rate setting including for brand pharmaceuticals and biologics, and generic drugs to control health care costs; and

**WHEREAS**, New Jersey should be among the states leading the Nation in lowering the cost of prescription drugs for all consumers, building on the State's efforts to secure prescription drug savings in the State Health Benefit Plans, increase prescription drug transparency and cut excess pharmacy charges for all New Jersey health care consumers;

**THEREFORE, BE IT RESOLVED** that the undersigned organization:

- I. *Supports* creating an independent New Jersey Prescription Drug Affordability Review Board to evaluate drug prices and set limits on how much payers, including state agencies, will pay for high cost prescription medications; and
- II. *Agrees* to participate in the NJ Campaign or Affordable Prescription Drugs of the NJ for Healthcare Coalition, operating under a name and logo to be decided by members of the Campaign and in accord with the attached operating principles.

Organization Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By signing this resolution you agree to allow NJ For Affordable Drug Campaign of NJ For Health Care to use the organization's logo on the campaign webpage and materials.

### **1. Expectations as a Committee Member.**

In order to be a member of the Committee, an organization must support Senate No. 2630, sponsored by Senators Singelton and Gopal, which establishes prescription drug pricing disclosure requirements and measures, including the establishment of the Prescription Drug Affordability Review Board. If a participating group is unable to officially endorse all components of the legislation, it may still request to join the Committee's email list and participate in Committee meetings as appropriate. While the Committee is comprised of organizations in contrast to individual patients and consumers, such persons may sign up to receive communications about the Committee's work and progress to advance prescription drug affordability in NJ, as well as opportunities to be involved in the Committee's advocacy.

### **2. Voting/Decision Making.**

The Committee will seek to make decisions by consensus among all members. Votes may be taken in person, by telephone, by e-mail, or in combination thereof. All decisions will be brought before Committee members by the Co-Chairs, AARP-NJ and NJCA, during Committee meetings, telephone conferences, or by e-mail, if necessary. Any major decisions, such as changes to bill language, will be brought before Committee members for approval. The Co-Chairs will try to provide sufficient time and information so groups are able to make an informed decision that respects their internal decision-making. If a member disagrees with any proposed decision, the Co-Chairs will attempt to engage Committee members to hold discussions among each other and reach a majority decision. Neither Co-Chair has veto power over a majority decision reached by the Committee.

### **3. Letters and Other External Communication.**

Letters or other communications from the Committee that are in alignment with supporting Senate No. 2630 will be done on an opt-out basis. The Co-Chairs will share any such communications with the Committee members beforehand for review and provide the opportunity for any organization to opt-out.

### **4. Logo and Letterhead.**

Letters and other correspondence on behalf of the Committee will be sent on letterhead with the name and logo of the Committee and it will be signed with a list of all committee members unless a member opts out of the specific correspondence. A list of all

Committee members will be maintained on the webpage of the Committee that will be located in the website of the New Jersey for Healthcare Coalition.

#### **5. Internal Communications.**

In general, either of the two co-Chairs, will lead internal communications for the Committee, including Committee emails or conference calls. If an individual member would like to communicate with the entire Committee directly through email, AARP-NJ or NJCA will either share that communication on behalf of the member organization or permit the organization to send the communication directly on a case-by-case basis.