

Pennsylvania Coalition for Fair Drug Pricing: Our Principles

To keep our state healthy, every family and individual in Pennsylvania needs to be able to access the medications prescribed by their doctors at a fair, affordable price. Without intervention, fewer and fewer Pennsylvanians will be able to do so. As a coalition, we recognize that:

- 1 Prescription drug prices are soaring.** Nationally, the cost of prescription drugs has risen by 30% since 2010, with the most common brand name drugs outpacing inflation, on average, by nearly 8-fold and with double digit increases between 2012 and 2016.
- 2 High and rising drug costs interfere with many Pennsylvanians receiving proper, adequate, and medically necessary care, and most are worried about high drug prices.** 1 in 5 have chosen not to fill a prescription due to cost, and another 1 in 6 have skipped doses or cut pills in half. 2 in 3 Pennsylvanians say they are worried about the cost of prescription drugs.
- 3 Medically vulnerable and older Pennsylvanians are particularly hard-hit by rising prices.** The average older Pennsylvanian takes between 4 and 5 brand name prescription drugs regularly. The average annual retail cost of these drugs exceeds the average senior's median income by 20%. This forces some, even those who have insurance, to choose between medications and basic necessities like food, heat, or housing, or work past retirement just to afford their prescriptions.
- 4 Soaring drug prices affect everyone, even healthy people.** Even Pennsylvanians who don't currently need prescription drugs are impacted because drug prices rise quickly and are such a big share of premiums. For Pennsylvanians in the individual market, prescription drugs represented 1 in 5 of every healthcare dollar spent in 2015, up 50% from the previous year. This means everyone is paying more for healthcare.
- 5 Drug prices bust budgets for employers, governments, and hospitals.** As an example, for drugs purchased through the Medicaid program alone, prices per dosage have risen by 11%, year over year between 2012 and 2016, straining state budgets. Everyone pays when governments, employers, and hospitals must pass on these increases.
- 6 Across party lines and throughout our state, Pennsylvanians overwhelmingly support action that will make prescription drug prices fairer and more affordable.** More than 4 in 5 Republicans, Democrats, Independents, and non-affiliated Pennsylvanians alike support a variety of government actions to curtail unfair pricing and unreasonable price hikes, along with advanced notice provisions, higher transparency, and standards for making drugs more affordable.

The Pennsylvania Coalition for Fair Drug Pricing supports solutions that focus on achieving fair, affordable drug prices through state-based action. Pennsylvania should (a) develop clear, current, and actionable data on drug prices; (b) leverage existing market dynamics to help more employers, government entities, and hospitals negotiate with drug companies; and (c) consider creating an entity specifically tasked with developing and implementing Pennsylvania-based solutions to high, unaffordable, and rapidly rising drug costs.

Data Sources:

Centers for Medicaid and Medicare Services, National Health Expenditures Projections, 2015-2025
AARP Public Policy Institute, 2018 Rx Price Watch Report
Altarum's Healthcare Value Hub, Pennsylvania Consumer Healthcare Experience State Survey, 2018
Pennsylvania Insurance Department's testimony to the House Insurance Committee, 2017
Centers for Medicaid and Medicare Services, Medicaid Drug Spending and Utilization, 2012-2016