

Seeking passage of Rx Drug Affordability Act

Written by Staff Reports

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Health coalition makes its case to prescription prices

ALBUQUERQUE — Citing data that big drug companies have taken advantage of the COVID-19 pandemic to raise prices on hundreds of medications, AARP New Mexico, Health Action New Mexico and a statewide coalition of health experts, patient advocates and consumers lauded the introduction of the Prescription Drug Affordability Act (House Bill 154) on Jan. 27 and called on legislators to act quickly to ensure all New Mexicans have access to affordable drugs.

“New Mexicans continue to struggle to afford the medications they need,” Barbara Webber, Executive Director of Health Action New Mexico, said. “The Prescription Drug Affordability Act will hold drug companies accountable and set reasonable rates for consumers to pay. I want to

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thank Representative Angelica Rubio for her leadership bringing this important bill forward.”

A Prescription Drug Affordability Board would be designed to regulate prescription drugs with costs that greatly impact New Mexicans, including high-cost, brand name medications. High costs can prevent patients from accessing the prescription drugs they need, cause significant affordability issues for the state, and threaten public health.

The board would be tasked with considering a broad range of economic factors when setting appropriate payment rates for reviewed drugs, allowing pharmaceutical manufacturers the opportunity to justify existing drug costs. Once a fair payment rate is determined, the board sets an upper payment limit that applies to all purchasers and payor reimbursements in New Mexico, ensuring that lower costs benefit consumers.

Staffing of the board would be funded by a fee on pharmaceutical manufacturers.

“Even before COVID-19, Americans were paying the highest drug prices in the world,” Joseph P. Sanchez, AARP New Mexico state director said. “New Mexico needs an independent body that can evaluate drug costs and set reasonable rates for consumers to pay. With the establishment of the Prescription Drug Affordability Board, New Mexicans will have an advocate to ensure they are not being taken advantage of by drug companies.”

According to the data firm, Analysource, pharmaceutical companies have taken advantage of the pandemic to raise prices on 645 brands almost six percent in the first eight months of 2020.

On average, Americans pay four times as much for the same medicines as people in other countries.

The Journal of the American Medical Association reports 35 big drug companies raked in \$8.6 billion in profits between 2000 and 2018.

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Nine of the top ten companies spend more money on marketing and advertising than they do on researching new drugs.

Nearly half of New Mexicans have skipped taking medication or not filled a prescription because of cost concerns.

Advocates have launched a website, www.newmexicocap.org , with information about drug pricing and state policy options to reduce drug costs.

“Prescription drug companies are the only businesses in the health care industry whose rates are not regulated. It’s time to hold them to the same standard as all other health care providers. Creating a Prescription Drug Affordability Board is a commonsense solution to hold big drug companies accountable and drive down the cost of prescription drugs,” Webber stated.