

November 2023

Honorable Kathy Hochul
Governor
State of New York
State Capitol
Albany, New York 12224

Dear Governor Hochul,

Thank you for your leadership in standing up for millions of New Yorkers and working to make prescription drugs more accessible and affordable, including your 2023-24 executive budget proposals to increase prescription drug price transparency in our state.

Our organizations respectively request that you sign into law S.599-A (Salazar) same as A.1707-A (D. Rosenthal) to increase transparency around prescription drug prices.

This legislation is consistent with your proposals for transparency, and would empower the Department of Financial Services in its work to address the high cost of prescription drugs.

List prices on more than 1,200 prescription drugs rose by an astounding 31.6% on average - far higher than the general rate of inflation - between July 2021 and July 2022, according to a new report from the U.S. Department of Health and Human Services (HHS).¹ A recent AARP national survey of registered voters 50 and older found cost is the primary reason for deciding not to fill a prescription.² Prescription drugs are a lifeline for millions of older adults across New York State.

Prescription drug price transparency laws hold pharmaceutical companies accountable by forcing them to disclose their price increases. Several states with price transparency laws have reported fewer and lower drug price increases. Vermont, the first state to enact a transparency law, reported an almost 80% decline in the number of drugs with price increases of at least 15% in its Medicaid program between 2016 and 2020.³ Drug transparency laws have also provided valuable information for legislators to develop future actions to enhance access to affordable prescription drugs.

One of the leading causes of the rise in healthcare premium costs is the increase in prescription drug prices. A recent analysis shows 82.4 cents of every insurance premium dollar in the commercial market (employer-provided coverage and individual market) went to prescription

¹ Arielle Bosworth, et al. "Price Increases for Prescription Drugs, 2016-2022" (2022). Available at <https://aspe.hhs.gov/sites/default/files/documents/d850985c20de42de984942c2d8e24341/price-tracking-brief.pdf>

² AARP Research, "Consumer Views on Prescription Drugs Survey" (2021). Available at https://www.aarp.org/content/dam/aarp/research/surveys_statistics/health/2021/drug-prices-older-americans-concerns.doi.10.26419-2Fres.00476.001.pdf

³ Center for Elder Law & Justice, "THE PRESCRIPTION DRUG PRICE AND SUPPLY CHAIN TRANSPARENCY ACT OF 2023 - LETTER OF SUPPORT" (2023). Available at <https://www.elderjusticenyc.org/policy-statements/prescription-drug-price-and-supply-chain-transparency-act-2023-letter-of-support>

drugs and medical services from 2018-2020 – up from 81.6 cents from the prior analysis released in 2020.⁴

For these reasons, our organizations urge you to sign S.599-A same as A.1707-A into law to bring more transparency around prescription drugs prices in New York.

Sincerely,

⁴ AHIP, “Where Does Your Health Care Dollar Go?” (2022). Available at https://www.ahip.org/documents/202208-AHIP_HealthCareDollar-v02.pdf