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HOUSE JOINT RESOLUTION NO. 786

Offered January 19, 2001

Directing the Joint Legislative Audit and Review Commission to study the Commonwealth's prescription drug programs to identify mechanisms for controlling the rising costs of prescription drugs.

Patron—Larrabee

Referred to Committee on Rules

WHEREAS, in response to rapid increases in pharmaceutical costs incurred in government-funded pharmacy expenditures, the 2000 General Assembly mandated the Secretary of Finance, in cooperation with the Secretaries of Administration and Health and Human Resources, to conduct a study that examined the trends in Virginia's pharmaceutical expenditures; and

WHEREAS, the report in response to this directive, titled Pharmaceutical Expenditures in the Commonwealth of Virginia, was delivered to the Governor and the chairmen of the Senate Committee on Finance and the House Committee on Appropriations in October, 2000; and

WHEREAS, this report states that "Virginia's expenditures on pharmaceuticals have expanded rapidly over the past several years and can be expected to continue to increase in the foreseeable future"; and

WHEREAS, the report concludes that this trend will have a significant effect on the quality of health care provided to the citizens of the Commonwealth and will effect the budgets of government-funded health care programs; and

WHEREAS, government-funded pharmaceutical expenditures in the Commonwealth of Virginia during fiscal year (FY) 2000 were approximately \$441 million; and

WHEREAS, the 2001 General Assembly is considering the addition of a prescription drug assistance program that could add an additional \$100 million to total government-funded pharmaceutical expenditures in FY 2001; and

WHEREAS, the continuing rise in pharmaceutical costs will make it increasingly difficult for the Commonwealth to remain fiscally responsible and fulfill its statutory obligation to provide high quality health care for its citizens; and

WHEREAS, the Commonwealth's current government-funded health care programs should be evaluated to ensure that they are employing the most effective approaches to controlling the rising costs of prescription drugs; and

WHEREAS, a number of innovative approaches for reducing and containing pharmaceutical costs have been utilized and proposed in other states that should be considered for adoption in the Commonwealth; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study the Commonwealth's prescription drug programs to identify mechanisms for controlling the rising costs of prescription drugs. The Commission shall examine the prescription drug programs sponsored by the Department of Human Resource Management, Department of Medical Assistance Services, Department of Health, Department of Mental Health, Mental Retardation and Substance Abuse Services, and Department of Corrections to ensure, among other things deemed appropriate, that the most effective means of controlling rising prescription drug costs are being employed by the Commonwealth and its contractors.

All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its work in time to submit its findings and recommendations to the Governor and the 2002 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

INTRODUCED

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