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## HOUSE JOINT RESOLUTION NO. 666

Offered January 10, 2001

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*Establishing a joint subcommittee to study ways of reducing prescription drug costs to elderly citizens.*

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Referred to Committee on Rules

WHEREAS, according to the Congressional Budget Office, millions of elderly in the country have little or no drug coverage at all; and

WHEREAS, many retired elderly persons struggle on limited or fixed incomes to provide for themselves the necessities of life, but find that prescription drug costs have increased greatly, taking a greater proportion of their income and leaving little money for other obligations; and

WHEREAS, Medicare, the national health insurance plan for the elderly and disabled, is much like Social Security in terms of its popularity and fragile future; and

WHEREAS, although Medicare covers some of the health expenses for the elderly, it does not provide coverage for prescription drug costs, forcing many elderly persons to make "grim" choices each month, whether to pay for shelter and utilities, buy food or needed medication; and

WHEREAS, in the past eight years, persons age 65 and older have watched their prescription drug costs double, and the average senior citizen spends an estimated \$1,200 per month on prescriptions, and by 2010, monthly prescription costs could reach \$2,800 per person; and

WHEREAS, the elderly account for only 13 percent of the nation's population, but they pay 42 cents of every dollar on prescription drugs, and more per pill because their purchases account for only 34 percent of total prescriptions; and

WHEREAS, the elderly and their families have urged policy-makers to expand Medicare to cover prescription drugs, and several proposals to lower prescription drug costs for older persons have engendered considerable debate among federal and state authorities, and the pharmaceutical industry; and

WHEREAS, different factions in the debate agree that the lack of Medicare prescription coverage remains a problem for those 65 and older, but they disagree on solutions, leaving the elderly to bear the burden of rising prescription drug costs; and

WHEREAS, some representatives of the health care and pharmaceutical industries have stated that much of the increase in seniors' drug spending is driven by advanced drugs that are more effective, allowing many of them to avoid costly inpatient hospital care; and

WHEREAS, some persons and spokesmen for the pharmaceutical industry contend that government price controls, which have been advanced as a solution, could hamper innovation and drug research, and interrupt the flow of important new medicines; and

WHEREAS, many states have considered establishing buying cooperatives, implementing other options and configurations that build upon the Medicaid structure, and using their purchasing power to negotiate lower prices for prescription drugs; and

WHEREAS, the aforementioned options and other creative concepts should be explored to ease the financial burden many Virginian senior citizens have incurred due to impaired access to prescription drugs; and

WHEREAS, it has been said that a civilization is characterized by the respect and honor it affords its elderly and by the way it cares for its fragile and vulnerable members, and the Commonwealth is committed to the protection of its senior citizens from needless worry, grim choices between the necessities of life, and the worsening of medical conditions during their silver years; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study ways of reducing prescription drug costs to elderly citizens. The joint subcommittee shall consist of 10 legislative members, to be appointed as follows: six members of the House of Delegates, to be appointed by the Speaker of the House, in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; and four members of the Senate, to be appointed by the Senate Committee on Privileges and Elections.

In conducting its study, the joint subcommittee shall determine the causes of impaired access to prescription drugs by the elderly; identify and review the issues related to the rising costs of prescription drugs; ascertain the extent of the problem among the elderly, particularly among disabled senior citizens in Virginia; consider all proposals and options that have been advanced to date, and the approach that has been taken by other states to address this problem; obtain and analyze proposed federal legislation to

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59 manage the problem, and such policies under consideration by relevant federal agencies; solicit the  
60 perspectives of senior citizens and the health care and pharmaceutical industries in the Commonwealth;  
61 determine the legal sufficiency and fiscal implications of each option and proposal that has been offered  
62 nationally and statewide; and recommend appropriate strategies to reduce the costs of prescription drugs  
63 for the elderly in Virginia.

64 The direct costs of this study shall not exceed \$12,500.

65 The Division of Legislative Services shall provide staff support for the study. Technical assistance  
66 shall be provided by the Department on the Aging, the Departments of Health Professions, Human  
67 Resource Management, General Services, and Medical Assistance Services, the Board of Pharmacy, and  
68 the State Corporation Commission's Bureau of Insurance. The joint subcommittee shall also request  
69 technical assistance of appropriate federal agencies.

70 All agencies of the Commonwealth shall provide assistance as requested by the joint subcommittee  
71 for this study.

72 The joint subcommittee shall complete its work in time to submit its written findings and  
73 recommendations to the Governor and the 2002 Session of the General Assembly as provided in the  
74 procedures of the Division of Legislative Automated Systems for the processing of legislative  
75 documents.

76 Implementation of this resolution is subject to subsequent approval and certification by the Joint  
77 Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the  
78 study.