

PRESCRIPTION DRUG TASK FORCE

In her State of the State address, the governor will announce that she is creating a Prescription Drug Task Force to develop policy solutions to lower prescription drug costs and create more transparency in how drugs are priced.

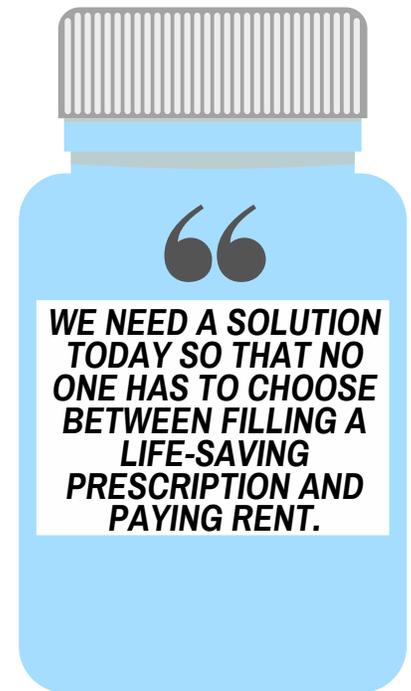
THE PROBLEM

Michiganders should not have to worry about being able to afford a prescription drug if they need one. Yet, drug costs have more than doubled over the last six years to treat diabetes, heart disease, depression and more.(1) We cannot wait on Washington to fix this problem. We need a solution today so that no one has to choose between filling a life-saving prescription and paying rent. Many of the problems we face in health care – plans that cost too much, deductibles that are too high – are a result of significant increases in the cost of prescription drugs. Prices for the most commonly prescribed drugs for older patients have increased at more than 10 times the rate of inflation within five years, and the average cost of prescription drugs increased nearly 60 percent between 2012 and 2017, while income increased only 11 percent.(2) Among Michigan residents ages 19-64, 32 percent stopped taking their medication as prescribed due to cost in 2017.(3)

THE GOVERNOR'S PLAN:

Create a Prescription Drug Advisory Task Force by Executive Order charged to deliver recommendations to the Governor by 8/15/2020.

- Five members of the legislature will be appointed to the taskforce.
- The Task Force will be represented by Republicans and Democrats, the house and the senate.
- The Task Force will be charged to:
 - Examine the problem of high-costs drugs and its impact. Review high-cost prescription drugs and make recommendations on strategies to bring costs down.
 - Develop transparency standards to disclose how much drug companies pay for research, manufacturing, and marketing.
 - Consider policies to require pharmaceutical manufacturers to demonstrate a rationale for price increases above a certain level.
 - Examine a broad range of economic factors along the entire pharmaceutical supply chain, including spending on advertising, public research investment, and the actions of middlemen who negotiate prices.
- The Task Force will deliver recommendations to the Governor by August 15, 2020.



1 <https://www.nbcnews.com/health/health-care/no-end-sight-rising-drug-prices-study-finds-n1012181>

2 <https://www.aarp.org/politics-society/advocacy/info-2019/prescription-drugs-state-fact-sheets.html>

3 State Health Access Data Assistance Center (SHADAC) analysis of National Health Interview Survey data, State Health Compare, SHADAC, University of Minnesota, statehealthcompare.shadac.org, Accessed December 9, 2019.

PRESCRIPTION DRUG TASK FORCE QUICK FACTS

60% of Americans take at least one prescription drug.

90% of American seniors take at least one prescription drug.

#1

Specialty drugs are the top driver of prescription drug costs.

Specialty drug spending is expected to

QUADRUPLE

by 2022, making up nearly 66% of all medication costs.

Specialty drug prices climbed from 14% of total drug spending in Michigan in 2011



to 22% of total drug spending in Michigan just three years later.

Studies show that marketing and advertising make up over

THIRTY PERCENT

of drug costs, while R&D for new medicines make up just

SEVENTEEN PERCENT

The federal government provides roadblocks to competition through patent exclusivity.

There are over 100 brand name drugs that won't have a money-saving generic available anytime soon, some even as late as

2029