



Addressing the Crisis of High Drug Costs in
New Mexico:
Prescription Drug Affordability Board

AARP New Mexico
Health Action New Mexico
New Mexico Consumers for Affordable Prescriptions

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The skyrocketing cost of medications in the U.S. have created a crisis for patients in New Mexico.

New Mexicans are struggling to afford the prescription drugs they need, often having to choose between their medication and other necessities like rent, groceries and fuel to get to work. **44% of New Mexicans reporting skipping doses or not filling a prescription due to cost.** This also burdens the healthcare system, as manageable conditions become unmanageable because the appropriate medications are out of reach.

Meanwhile, prices for 460 prescription drugs increased by an average of 5.2 percent in 2020 - more than triple the rate of inflation - and 35 big drug companies brought in \$8.6 trillion in profits between 2000 and 2018. **It's a problematic market with outsized profits that has stifled too many patients' access to life-saving medications.**

We can do better by actively negotiating in the market for consumers, incentivizing competition and working with all market stakeholders for better prices for New Mexicans. New Mexico has the opportunity to forge a path forward through legislation creating a **Prescription Drug Affordability Board** that provides expertise and full-time dedication to make drugs more affordable.

**Together, we can make prescriptions more affordable for all New Mexicans.
Drugs don't work if people can't afford them.**

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Lower Prescription Drug Costs Now

⊗ The Problem

Each year, drug companies rake in trillions of dollars in profits, yet New Mexican families struggle to pay for the prescription drugs they need, often forced to choose between their medication and other necessities like rent and groceries. Enough is enough!

State-based reform is urgently needed to solve the crisis and offer relief. Creating a Prescription Drug Affordability Board would give New Mexico consumers a way to fight back and finally lower the cost of prescription drugs.



9 in 10

New Mexicans are concerned about the cost of prescription drugs.



Nearly 1/2

of New Mexicans have skipped medication or not filled a prescription because of costs.



3x as much

Americans pay nearly 3x as much for name brand drugs as other countries.



1,186 times

In 2020 alone, pharmaceutical companies in the U.S. raised drug prices 1,186 times.

✓ The Solution

An independent Prescription Drug Affordability Board (PDAB) consisting of appointed experts in the field will negotiate on behalf of New Mexico consumers, hold drug companies accountable, and incentivize lower prices for prescription drugs. PDAB strategies may include:



Creating

Creating and utilizing a statewide benefits manager to lower drug costs.



Securing

Securing the lowest-cost drugs available.



Rewarding

Rewarding New Mexicans when they use discounts and direct mail drug services.



Ensuring

Ensuring New Mexicans pay the same low cost for drugs as Canadians.

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Who We Are:



NMCAP

NEW MEXICO CONSUMERS

FOR **AFFORDABLE
PRESCRIPTIONS**

We are a coalition of health experts, patient advocates and consumers, and this year we're urging our representatives to create a Prescription Drug Affordability Board, independent body with the authority to negotiate on consumers' behalf, hold drug companies accountable and incentivize lower prices.





New Mexico Needs a Prescription Drug Affordability Board

The Issue:

New Mexicans are struggling to afford prescription drugs they need, often having to choose between their medication and other necessities, like rent and groceries. Nearly half of New Mexicans have skipped taking medication or have not filled a prescription because of costs. 90 percent of New Mexicans indicate they are very or somewhat concerned about the cost of prescription drugs. This is a critical issue that touches everyone in our state.

Meanwhile, prices for 460 prescription drugs increased by an average of 5.2 percent in 2020 - more than triple the rate of inflation - and 35 big drug companies brought in \$8.6 trillion in profits between 2000 and 2018. Of the 10 largest pharmaceutical companies, 7 spent more on marketing than on research and development in 2020, a year during which many of them received government funding for vaccine research.

Medications are only effective if they are accessible; drugs don't work if people can't afford them. It's time to hold the industry accountable and improve outcomes for New Mexicans in need of life-saving medications.

The Solution:

There is urgency and momentum for state action on the issue of high drug costs, which will in turn catalyze federal action and help patients around the country. Many states are turning to the concept of a Prescription Drug Affordability Board (PDAB) as the most comprehensive state-level solution on the table. A PDAB, which would have the authority to negotiate with the industry on behalf of consumers and implement market-based strategies to incentivize lower prices, is urgently needed in New Mexico.

As a small state, New Mexico has the unique ability through a PDAB to bring all stakeholders to the table for deeper collaboration, consensus, and creativity on this issue. Our state needs the expertise and full-time dedication of a PDAB to explore and implement a variety of strategies that will help patients in our state access the medications they need to lead healthier lives.

A problem this severe requires a bold solution. PDAB provides a permanent structure to house expertise and attack this issue systematically and thoroughly. New Mexicans overwhelmingly favor the creation of a PDAB (78 percent in favor), and support holds across ethnicity, gender, and even party.

Passing legislation in the 2023 session to enact PDAB will save New Mexican lives.

newmexicocap.org

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How it works:

The Board is made up of five members who are experts in the field, each appointed by a different elected official. These members will be supported by three full-time staff. The board and staff will be tasked with assessing prices in New Mexico, understanding how these prices impact consumers, and the market strategies that can help lower prices. Some potential market strategies include:

- Creating or contracting with a statewide, non-profit, pharmacy benefits manager (PBM) or use existing services operated by other states which can assist in the execution of market strategies
- Implementing a statewide competitive bidding among interchangeable biologics, high-spend multi-source generics, and where possible therapeutic alternates
- Incentivizing employee use of drug discount cards, discount drug services, and other cost-saving mechanisms by reimbursing out of pocket costs and other means
- Requesting that drugs be sold at the price point they are sold for in other developed countries, and if this is refused, setting up a direct-to-consumer pipeline to purchase drugs from Canada at a lower price.

The board will report annually to the legislature on price trends and potential cost-saving programs, in addition to any actions they take to lower costs. The board will be funded by an assessment on the licenses of manufacturers, PBMs, and other entities in the supply chain, excluding pharmacies and health plans.

Common Questions:

Won't prescription drug prices be addressed at the federal level? Why is state action necessary?

For years, large drug manufacturers and their lobbyists have been successful at the federal and state level at protecting Pharma profits and stopping reforms to make medications more affordable. Enough is enough. States are taking it into their own hands, and New Mexico has a chance to fight back against prohibitively high prices through a PDAB. This will catalyze federal action and provide a structure for implementation in the future.

Which other states are implementing PDABs, and how is our approach different?

Prescription Drug Affordability Boards are in effect in Colorado, Maryland, Maine, Oregon, and New Hampshire and nine other states are actively pursuing PDAB through legislation. New Mexico's approach is different because our market is different; while other state PDABs are using Upper Payment Limits to regulate prices in the commercial market, we are bringing together experts to identify the most effective market-based solutions that will have a wider impact for our state.

Is PDAB the best solution? Why not just transparency or specific regulation measures?

PDAB is the most comprehensive state-level solution on the table to tackle this issue. New Mexico and other states have proposed and passed piecemeal solutions, but there is lack of personnel with expertise on drug pricing available to study and implement these measures successfully. PDAB provides this expertise, along with staff that will have the capacity to give this critical issue the time and energy it warrants, and can implement creative and effective solutions without going back into legislation each year.

What kind of cost-saving policies and programs would the PDAB implement?

The board would explore any and all viable solutions, but would focus on market-based solutions that introduce competition and incentivize lower prices. They will also explore direct saving mechanisms, like setting up a program to purchase drugs directly from Canada at a lower price. There is no single solution to this issue, but the expert board and staff of a PDAB will use every tool available to get New Mexicans the best price.

PROVIDER STORIES



DR. ALEX CVIJANOVICH

MEd, MD, FAAP
President, New Mexico
Pediatric Society

DR. C HAS BEEN A PEDIATRICIAN IN NEW MEXICO FOR 17 YEARS. SHE IS CONCERNED FOR HER PATIENTS INABILITY TO PAY FOR PRESCRIPTIONS.

In my years here in New Mexico, I've had a lot of challenges with my patients and families being able to afford medications. One of my patients is a 3 year old boy from Spain who suffers from a metabolic disease that requires a daily medication to live for the rest of the child's life. While the family was in Spain, this medication was between \$15-\$30 a month. In New Mexico, this medication was \$1,800 a

month. The family has their family and friends pick up the medication in Spain and ship it to them. The family has private health insurance. If not for the family connections in Spain, this would be a huge burden on the family and the boy.

Another patient is a 6 year old girl with asthma. The family is currently on Medicaid. A recent medication came out as a first line treatment for asthma prevention/rescue. It has been shown to reduce ER visits, hospitalizations, and oral steroids dramatically. However, this medication is not on the formulary as a first line drug despite CDC recommendations.. The family has to choose between spending \$2,500/ month out of pocket, or the child has to be placed on an older medication, until I can prove that these medications aren't working and this newer drug is necessary. Either way, it's not a great choice, and it's exceedingly frustrating for me to watch this girl continue to struggle with her asthma. And I have to continue to give her rounds of oral steroids, which put her at risk for health problems for the rest of her life when I know there's a medication that's safe and recommended that insurance will not cover and the the family cannot afford.

MORIAH MOHONEY, PRIMARY CARE PROVIDER

I have been a primary care provider in New Mexico since 2004. I couldn't stay silent when I heard the committee was looking at the issue of prescription drug prices.

One of the worst examples I have seen this year of PRICE before Patients in medicine is patients who have been on long-acting insulin for diabetes. If their insurance changes their formulary they likely have to change to another form of the product. What patients faced in 2021: When they went to the pharmacy to get the same insulin that they take to control their diabetes, they were told it is not covered, and they need to get a prescription for something that is covered. So they leave the pharmacy empty-handed.

Patients need to somehow get ahold of their provider, hopefully to get a new prescription for the brand or generic medicine that is covered just like the one they have taken for years to control their diabetes. It is a fact that people go without treatment because they don't know what to do. They are not pharmacists, they are not benefit managers, they are diabetics needing treatment. Patients get lost in this scenario, they have their medications changed possibly to something that does not work as well only because of formulary changes. These patients could face the same thing all over again if they change insurance. In our system a patient losing their life or limb due to not being able to take the treatment is somehow accepted, though the drug to prevent this avoidable impact costs 10 or 20 dollars. It is unjust and immoral to put the patient's needs last in these situations.

KATHLEEN MOSLEY, RN MS

I am a retired registered nurse specializing in asthma education I worked as a nurse educator for the American Lung Association, helping people with asthma to stay healthy, for many years.

I'd like to tell you one story about how NM is failing to manage rapidly rising drug costs. Even Medicaid covered children, who should have no barriers, struggle to get the treatment they need, due to the hurdles created by insurers' search for the cheapest medicines.

A few Novembers ago, a patient of mine with severe asthma turned 12. With the diligent support of his mother, his knowledgeable provider, Medicaid coverage, a case manager and me, a nurse educator-he was doing well. But after his birthday, Mom goes to pick up her son's asthma med. She's surprised that coverage is denied. The Managed Care Organization's pharmacy benefit manager had found a less expensive medication for 12 and older, and changed the formulary of drugs they pay for. When the mother, who speaks only Spanish, returns to the pharmacy after some calls she is told there's no prescription for the drug for her son.

The twelve year old has now been off his successful controller for almost a month. It's now cold and flu season, the holidays, and this child isn't being treated for a disease that kills 9 Americans a day. It takes three weeks or a month for the new controller to be fully effective. He was fully insured, had team coverage and training to use his inhaler, yet his health was impacted. Because the rising costs of drugs push our providers and plans to make changes to what is covered and prescribed, patients can't get the medicine they need.

Please act on this issue to help New Mexicans of all ages, with all kinds of health coverage, to feel

COMMUNITY STORIES



CECILIA PIÑON

Anthony, NM
Strong Families NM
Leader

Cecilia is a mother and activist in Anthony, NM. She was prescribed Lizness for chronic stomach issues and even after traveling to Mexico to get them for cheaper, she is ultimately unable to afford the medication she needs.

The doctor prescribed me pills called Linzess for chronic stomach problems. I did the free trial, I took them, and they worked perfectly. The thing was, insurance wasn't covering the pills, I had to pay them out of my own pocket. The pills cost \$500 dollars. When I went to the pharmacy and said I had insurance and asked if it was covered, they said no. Several times the people at the pharmacy tried to talk to my insurance and ask how I can qualify to buy the pills

Ultimately I was never able to purchase them. It came to the point of okay, I need these pills to make me feel better. So what I did was go to Juarez, because I live very close to the border, with the intent to buy the medication. When I got there to buy it, they charged \$100. Not the \$500 it costs in the US, but it's \$100. So I said okay, I can't pay \$100 either. I have to pay my car payment, my house payment, and everything piled up, I couldn't buy the medicine.

MARILYN W. MCCLENAHAN, RIO RANCHO

Prescription drug prices on some of the preparations I use are outrageously high. The most expensive one is Lumigan eye drops. I need them because they help with eye pressure in my eyes to prevent eye damage due to glaucoma.

I went to Walmart and they quoted me a price of \$520./3 bottles. With Good Rx the price was \$470. I settled for getting one bottle from Canada for \$150. I needed a script for a steroidal cream. The one tube was not covered by my Medicare. It costs \$150 a tube. My toe tincture cost \$45 from Menaul Compounding Pharmacy. It is not covered either. My diabetic lancets are not covered under my plan. The test strips are not covered under that plan but under the part G.

When we went to see about hearing aids for my husband, we were told that Medicare and the supplements do not cover them. A cheap pair costs \$3500. My A1C seems to be out of control. It was 8.9 last week. This probably means that I will be joining the millions of other diabetics who have to pay unconscionably high prices for insulin. We are a rich nation. Why do our people have to suffer because they can't afford the meds and apparatus needed for quality of life? Isn't this a pro-life issue? Thank you for your consideration.

ROBERT M- CLOVIS, NM

Each month I take eight prescriptions. This past month, while picking up my prescriptions, I discovered my insurance no longer covered my sleeping pills. This was the first time I saw the list price of these pills. Having to purchase seven other pricey medications including Ranitidine meant I could not afford my sleeping pills at their full \$46 per month cost. Not taking my sleeping pills has had detrimental effects on my health. Since running out of pills, I've barely been able to sleep. My health and wellbeing shouldn't be contingent on month to month changes in my prescription costs and my ability to afford my drugs.

CHUCK SWAIM, SANTA FE

I want the LHHS Committee to know that I and many other New Mexicans are having trouble accessing the medications we need. I see the Pharma ads, saying we won't be able to afford medications if they are negotiated by Medicare. I believe that Medicare and other insurances should be able to negotiate for fairer prices.

I am on Medicare Part D and I was doing great on this drug called Alogliptin for Diabetes Type 2 and they wanted to force me on Onglyza because they didn't want to pay for Alogliptin. I got sick on Onglyza because BCBS of NM wanted me to take it. It was early 2021 and I had to beg them and my doctor had to beg them to put me back on Alogliptin, which is a much cheaper drug that works.

A year later, early this year, they said they wanted me to go on Tradjenta. I was praying I wouldn't get sick, I exhausted my Alogliptin supply before taking this drug. I was worried and hoping this drug won't make me sick. After a few weeks of trying this drug Tradjenta, I'm still taking it. Thankfully I haven't been getting sick but it's one example of where people are doing fine on one drug and then the insurance company comes in and tries to play doctor, and people are forced to take another drug because the insurance company won't cover the medication anymore and the new medication they want them to take is also more expensive.

That's not right when I was doing great on one drug and then they are forcing you to take a drug that's more expensive. It's confusing for the patient when you have to change medication mid-stream. It's nerve-wracking to beg them to stay on a drug that I really need. It was also confusing as well. I trust my doctor, and what happened to me is terrible to put a patient through. I felt like a lab animal and I believe it compromises patient safety.

STEVEN A- ALBUQUERQUE, NM

I am 69, a Medicare beneficiary, and a veteran who has suffered from severe migraines for the last four years. Migraines impair my eyesight and my balance. When they hit, I suddenly can't stand bright light and have to stay in a dark room lying down, sometimes for days. The drug Ubrelvy provides the relief I need to live my life, but just 10 pills are priced as much as \$3,000. I simply can't afford it. For an entire year, I jumped through hoops in order to get this medicine. I've managed to come up with the money with some help from my church community, but it isn't easy.



LINDA S. BROWN, QUEMADO NM

I am writing to encourage you to do everything you can to reduce the cost of prescription drugs for everyday New Mexicans. Up until my recent retirement, I served as a Navigator for the Affordable Care Act. In that capacity, I helped people review their insurance options and select the plans that best suited their prescription drug, procedure, and medical equipment needs. As I write, I am reminded of that adage that most people are fighting battles no one else can see. That was never more clear to me than when I served as a navigator.

Most of the people I helped had been unable to afford insurance before the ACA. They had been rationing medications and putting off needed procedures and care. I would often spend hours with people, carefully checking the formularies of various insurers to see the availability and cost of medications they needed to stave off illness.

If asthmatics and diabetics miss their meds, they get sick, miss work, and may end up in the emergency room, or worse. Yet the pharmaceutical industry had bumped up the prices of these critical medications such that my clients had no longer been able to stay current with their prescriptions. As an asthmatic myself, I know that missing even a week of meds can put me out of commission for days, and once I have the meds again, it can take several weeks to get back to where I was before I missed my meds. Many of the most common medications for asthma, diabetes now cost \$300 - \$800 per month. That simply isn't affordable for most people with these conditions.

Every day I sat across the table from hard-working families who would tear up, or outright sob, when they saw how the ACA policies would help them finally access essential medications. These were salt-of-the-earth Americans, who played by the rules, did everything right, yet had been priced out of the medications they needed to remain fully functional. They were working full time, but their employers did not offer health insurance. Before the ACA, they had few options, as most private plans did not offer their required meds at affordable prices. They were exhausted from trying to juggle household expenses and the costs of their medications. They would often hug me, a stranger, after I managed to enroll them in policies that covered their medications at an affordable price.

But sometimes, even the ACA was not adequate. I remember a transplant recipient, who was struggling to hang on to his modest home because the cost of his anti-rejection medications had soared. None of the formularies among the available plans covered all his medications, so we reviewed costs for each policy. He then went back to his doctors to see if there were any substitutions he could make in favor of more affordable meds. In the end, he had to make do without one critical medication. This does not happen in other developed countries.

LINDA S. BROWN, QUEMADO (CONT.)

I had one colon cancer patient, whose insurance had limited his prescription colostomy bags to 11 per month. He was otherwise functioning quite well, supporting his family. But his inability to pay for the number of bags necessary to get through a month was jeopardizing his ability to keep his job.

In recent years, we have seen the Insurance Industry taking advantage of the savings the ACA made possible, and once again, inflating the prices of these critical meds. My clients were once again struggling to be able to afford their meds. I would sit with them, looking at all the different plans, policies, and formularies, to try to find any additional savings. In some cases, I would tell a married couple that their best chance at being able to afford meds and care would be to divorce, allowing the spouse with a chronic condition to go on Medicaid. This, of course, was an abhorrent option, but one that families had to consider. Given that we're a border state, we also discussed the possibility of regular trips to Mexican border town pharmacies as viable options.

This, in the richest country in the world? Why? Why do we put hard-working people through these tortuous hurdles, when all they wish is to be able to go about their lives without stressing over whether they're going to fall into sickness due to inability to access medications? It's extraordinarily cruel.

I bumped up against the exorbitant cost of drugs myself not too long ago. One of my regular meds that I rely on to stave off all sorts of symptoms that interfere with daily living went from \$85 per month to more than \$500. How many people can absorb such an increase? I had to quit, cold turkey because the "replacement" meds covered by my insurance company caused side effects that were far worse than the benefits. Once I married, I was able to get back on the medication because my husband's policy covered it. It shouldn't be that way.

I am not an anti-capitalist. But we must be honest about what the pharmaceutical companies have been allowed to get away with. My dad worked for a major pharmaceutical company his entire career. I know their claims that capping prices would hinder drug research are entirely bogus. After we permitted the direct-to-consumer ads for prescription medications, Pharma marketing budgets soared. They now dwarf their R&D budgets. Have you noticed that they don't pull out of markets that cap their prices?

For the working people of New Mexico to be able to enjoy, life, liberty, and the pursuit of happiness, they need to be able to afford their medications. You all have an opportunity to make meaningful improvements in the lives of everyday New Mexicans. If you do, you will surely experience the heartfelt gratitude of your constituents.