

HOUSE HEALTH COMMITTEE SUBSTITUTE FOR
HOUSE JOINT MEMORIAL 4

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

A JOINT MEMORIAL

REQUESTING THAT THE LEGISLATIVE FINANCE COMMITTEE STUDY
PHARMACEUTICAL PRICING AND MAKE RECOMMENDATIONS ON HOW TO
MITIGATE THE EFFECTS OF RISING PHARMACEUTICAL PRICES.

WHEREAS, according to the Kaiser family foundation,
pharmaceutical costs have been increasing an average of eight
and three-tenths percent per year since 1994, far beyond the
regular rate of inflation; and

WHEREAS, health care expenditures constitute an increasing
percentage of the state budget; and

WHEREAS, seventy-six percent of Americans say their top
health priority is ensuring that high-cost pharmaceuticals used
to treat chronic conditions remain affordable, according to a
Kaiser family foundation poll; and

WHEREAS, even for patients with insurance, the average

1 out-of-pocket expense still averages twenty percent to twenty-
2 five percent of the cost of prescription drugs; and

3 WHEREAS, for specialty pharmaceuticals used to treat
4 conditions such as hepatitis C and multiple sclerosis, the
5 pharmacy benefits manager express scripts predicts spending
6 will rise twenty percent per year, more than four times the
7 cost of health care overall; and

8 WHEREAS, there are market middlemen called pharmacy
9 benefits managers that operate without much transparency; and

10 WHEREAS, a number of states have taken action to control
11 the prices of pharmaceuticals;

12 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
13 STATE OF NEW MEXICO that the director of the legislative
14 finance committee be requested to study pharmaceutical pricing
15 to determine ways in which the state of New Mexico can take
16 action to mitigate the effects of rising pharmaceutical prices;
17 and

18 BE IT FURTHER RESOLVED that the legislative finance
19 committee be requested to report its findings and
20 recommendations for mitigation of rising pharmaceutical prices
21 to the governor, the human services department, the office of
22 superintendent of insurance and the legislative health and
23 human services committee by October 1, 2016; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the governor, the chair and vice chair and the

1 director of the legislative finance committee, the secretary of
2 human services, the superintendent of insurance and the chair
3 and vice chair of the legislative health and human services
4 committee.

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