

1 [Reducing Pharmaceutical Prices]

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3 **Resolution supporting City, State, and Federal efforts to reduce pharmaceutical prices**
4 **and increase transparency of the pharmaceutical rate-setting process.**

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6 WHEREAS, Over 18,000 San Franciscan signatures were collected to place
7 Proposition D on the ballot for the November 2013 election, which would make it official City
8 policy for San Francisco to employ all available resources to reduce the cost of
9 pharmaceutical medications; and

10 WHEREAS, Supporters of Proposition D included a broad coalition of San Francisco
11 advocacy organizations who represent those who are disproportionately affected by rising
12 drug prices because of chronic medical conditions, including the AIDS Healthcare Foundation,
13 Senior & Disability Action, San Francisco Women’s Political Committee, San Francisco Labor
14 Council, and numerous others; and

15 WHEREAS, San Franciscans voted overwhelmingly to pass Proposition D in
16 November of 2013, thereby giving the City an urgent mandate to take action to reduce
17 pharmaceutical prices; and

18 WHEREAS, The Department of Public Health spends over 23 million dollars on
19 purchasing pharmaceuticals for its patient population; and

20 WHEREAS, Drug manufacturers contend that information as to how the rates for
21 various pharmaceuticals are set are trade secret protected and subject to other regulatory
22 prohibitions on disclosure; and

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1 WHEREAS, Public entity purchasers must rely upon the manufacturers’
2 representations that the prices quoted are the lowest available, even with discounted drugs
3 covered by federal programs; and

4 WHEREAS, The Department of Veterans Affairs purchases prescription drugs at lower
5 prices than those provided by manufacturers to the City; and

6 WHEREAS, Government entities covered by The Omnibus Budget Reconciliation Act
7 of 1990, which enacted the Section 340B discount program that provides these entities with
8 significantly discounted drugs for outpatient care are unable to obtain pricing information; and

9 WHEREAS, In July, 2011, the “340B Improvement Act of 2011” was introduced that
10 would have extended 340B pricing to the inpatient setting but the bill was defeated; and

11 WHEREAS, Governor Brown vetoed Senate Bill 746, authored by Senator Leno, which
12 would have required health plans and insurers to disclose a greater degree of information on
13 a variety of aspects of charges and rates, including prescription drugs; the City had taken an
14 official position in support of Senate Bill 746; and

15 WHEREAS, The 2003 Federal Medicare Prescription Drug, Improvement, and
16 Modernization Act brought drug manufacturers tens of millions of new customers funded by
17 taxpayers yet prohibits the Medicare program from directly negotiating lower prescription drug
18 prices with pharmaceutical manufacturers; and

19 WHEREAS, The City must explore all means to reduce the price of pharmaceuticals for
20 its patients and price transparency as part of a broader set of strategies to reduce costs; now,
21 therefore, be it

22 RESOLVED, That the Board of Supervisors urges the Department of Public Health to
23 explore the feasibility of using consumer websites that provide price comparisons for specific
24 medications by the residents of San Francisco; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors asks the City to pursue
2 extension of 340B pricing to inpatient settings in the City’s Federal legislative agenda for
3 2014; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors supports legislation to increase
5 transparency in pricing for health care and prescription drugs; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors supports innovative State and
7 Federal efforts to reduce pharmaceutical prices and increase the transparency of the
8 pharmaceutical rate-setting process.

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