



**New York State Association of  
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**MEMORANDUM on S. 1645 –A**

**NYS Prescription Medication Cost Containment Program**

TO: Senator Ruben Diaz, Sr., Chair, Senate Committee on Aging

FROM: Laura Cameron, Executive Director  
New York State Association of Area Agencies on Aging

DATE: May 12, 2009

The New York State Association of Area Agencies on Aging (NYSAAAA) strongly supports the concept of containing costs for prescription medication. Economic security for older New Yorkers is a primary concern in determining the ability of seniors to live independently in the community. We commend Senator Diaz for addressing this critical issue.

The importance of providing access to affordable medications is supported by research and claims data from Excellus Blue Cross Blue Shield, which demonstrates that the average cost of brand-name prescriptions increased 81.9% over the past 5 years. Excellus reports that the average cost for a 30-day supply of brand-name drugs escalated from \$87.45 in 2003 to \$159.06 in 2008.

While the Association supports cost containment for both government and consumers, we believe the following should be taken into account when considering amendments to the bill:

1. A mail order methodology presents several challenges, including education/counseling on dosages and medication interactions, since there is no contact with a pharmacist. The appearance of generic medication could change from original prescription to refill based on what supplier is being used; this could cause confusion and misuse of the medication.
2. Not all medications are available via mail order. There are restrictions as to what can be shipped through the mail (i.e. narcotics and drugs requiring refrigeration). This would impact all medication records for an individual being in one location as some would still need to visit their local pharmacy for some medications and obtain others by mail.

3. Further study is recommended to determine if this bill would be effective in reducing costs for EPIC beneficiaries and in its impact on co-payments, rebates and pharmacy participation.
4. Recognizing the goal to ensure safety and access to affordable prescription medication, the Association believes that New York should work with Congress and the President to ensure that the U.S. adopts a policy that brings down the cost of prescriptions and offers coverage to all Americans. The Pharmaceutical Market Access and Drug Safety Act of 2009 (S. 525/H.R. 1298), introduced by U.S. Senators Byron Dorgan (D-ND) and Olympia Snowe (R-ME) in the Senate, and Rep. Robert Berry (D-AZ) in the House, would address safety issues and reduce the cost of prescription drugs in the United States. The Association believes the legislation will establish a framework for the safe, legal importation of lower-priced prescription drugs from abroad.

### **Conclusion**

The Association applauds the intent of S. 1645-A. In light of changes at the federal level and the bi-partisan support for the Pharmaceutical Market Access and Drug Safety Act, we hope there will be a national solution to the challenges of the high costs of prescription medication. While a national solution is desirable, New York should continue to seek legal options to reduce the cost of prescription drugs for consumers and the State.