Whereas, Direct and indirect costs of pharmaceuticals continue to grow disproportionately (accounting for almost 60% of the cost for the most expensive chronic disease diabetes mellitus, for instance\(^1\)), even while the market approaches 90% generic; and

Whereas, The growth of pharmacy-benefit interference is a major source of complaints by both patients and physicians, and unequivocally interferes with the clinical primacy of the patient-physician relationship; and

Whereas, These manipulations are interfering daily with the efficient practice of American medicine without effectively constraining the rate of growth of pharmaceutical costs; and

Whereas, Over 30 years of pharmaceutical market evolution under the Hatch-Waxman Act has allowed for perverse price discrepancies between the newest agents and popular generics, incentivized "me-too" drug development and patent-extending alterations, and created a generic market with uneven competition (co-existence of very inexpensive markets [with possible manufacturing quality implications], intermittent shortages, and unexpected cost increases for rare drugs); and

Whereas, Any change in pharmaceutical pricing policy and regulation must seek to balance incentives for innovation in addition to rewards for value delivered; therefore be it

RESOLVED, That our American Medical Association support federal legislation that modifies the Hatch-Waxman Act and the Biologics Price Competition and Innovation Act (Biosimilars Act) to institute the replacement of time-specific patent protections with negotiated payment schedules and indefinite exclusivity for FDA-approved drugs in the Medicare Part D Program.


Fiscal Note: Not yet determined

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