

Negotiate Fairer Prescription Drug Prices To Pare Health Costs

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By Corey Bearak, *The Public Ought To Know*

Queens, NY – My very first Labor Press commentary covered health care. I advocate a single payer plan and expect over long-term that we will find our way there. Health care costs continue to get attention in the news. Sometimes it involves how company and government plans cover their employees and if savings negotiated with labor get realized. Other times, the high cost of prescription drugs gets news coverage. Clearly, drug costs impact health care costs and health insurance. Addressing proliferating drug costs can help reduce the expense of health care and its coverage overall.

Following the December meeting of our community board (13Q), labor leader Kyle Bragg and I chatted about the need to address to reduce the expense of drugs. We noted how then-drug company (KaloBios) kingpin, Martin Skreli decided to gouge insurers and consumers who needed his firm's drug to treat Chagas' disease; Skreli currently faces federal securities and wire fraud charges; previously when head of Turing Pharmaceuticals, he raised from \$13,50 to \$750 per pill the price for a life-saving drug that treats the rare parasitic infection, toxoplasmosis. No doubt many of us admired the gut punch he received upon his arrest for defrauding investors in his hedge fund; but still the gouging continues.

A solutions exists.

Why not look to the state (or even the city) to create preferred drug lists – “formularies.” This will allow the state to negotiate deeper discounts and rebates with drug companies that want their product on the list; this can also prod greater use of less expensive generic drugs (In contrast to most private plans Medicaid allows brand names when generics suffice. The state can also explore re-importation of drugs from Canada, increasing bulk purchases and sharing the drugs and discounts among Medicaid, EPIC and other state programs. It certainly makes sense for organized labor to press this this approach at both the state and city levels. As a new legislative session begins why not. Perhaps a certain speech (or more) embraces this path.

*Corey Bearak can be reached at StrategicPublicPolicy.com. Find his ebook, [The Public Ought To Know](#), at Kindle, Nook and Apple iBooks.

