

**HEALTH SERVICE SYSTEM**  
CITY & COUNTY OF SAN FRANCISCO

**Resolution in Support of  
the National Coalition on Health Care's Educational Efforts  
Regarding Sustainable Rx (Drug) Pricing  
June 2016**

WHEREAS, Drug prices have increased dramatically in the last three years and contribute to higher health care costs for San Francisco Health Service System employers and members; and

WHEREAS, Today prescription drug expenditures are nearly 20% of health costs, and prescription spending is growing faster than any other part of the health care dollar, primarily driven by spending on specialty medications; and

WHEREAS, It is estimated that, by 2017, specialty drug costs will increase to 44% of overall drug spending and, by 2020, pharmaceutical costs will make up more than 50% of health premiums; and

WHEREAS, Prices have increased for common drugs with four of the top 10% of prescription drug prices increasing by 100% since 2011; and

WHEREAS, Sharply rising drug prices in the United States threaten affordability of health care for local, state and federal government employers; and

WHEREAS, Increasing health care costs threaten wages and productivity by preventing access to affordable healthcare and by placing additional financial costs onto employers; and

WHEREAS, It is essential for the market to work by promoting innovation *and* affordability – not one or the other; and

WHEREAS, The National Coalition on Health Care, a 501(c)(3) nonprofit, has launched educational efforts regarding these concerns, through its Campaign for Sustainable RX (Drug) Pricing; and

WHEREAS, The National Coalition on Health Care, a 501(c)(3) nonprofit, conducts research and policy analysis in support of the Campaign; and

WHEREAS, The Campaign for Sustainable Rx (Drug) Pricing's proposals for change include transparency proposals (Price Transparency Parity, A Better Return on

Taxpayer Investments, Price Transparency Reports and continued assessment of Direct to Consumer Advertising Requirements), competition proposals (Reducing the Backlog of Generic Applications, Fostering Competition for Branded Drugs, Curbing the use of Risk Evaluation and Mitigation Strategies under the guise of exclusivity, and Creating Targeted Orphan Drug Incentives), and value proposals (Expanding Research on Treatment Effectiveness and Value, Requiring Drug Manufacturers to Conduct Comparisons of New Products to Existing Products, Ensuring that federal programs expand the availability of Value-Based Pricing and Require Innovative Payment and Incentive Structures to Promote Value); and

WHEREAS, The Campaign for Sustainable Rx (Drug) Pricing is a non-partisan national campaign made up of a growing coalition of organizations including hospitals, physicians, nurses, consumers, health plans, pharmacists and employers, all working to inform the debate on drug pricing and to finding non-partisan, market-based solutions to lower drug prices in the United States by fostering a national dialogue focused on the issue of drug pricing that strikes a balance between innovation and affordability, NOW, THEREFORE BE IT

RESOLVED, That the San Francisco Health Service Board supports the National Coalition on Health Care's educational efforts through its Campaign for Sustainable RX (Drug) Pricing; and, BE IT FURTHER

RESOLVED, That the San Francisco Health Service Board hereby urges the San Francisco Board of Supervisors to join this national Campaign for Sustainable Rx (Drug) Pricing; and, BE IT FURTHER

RESOLVED, That the San Francisco Health Service Board hereby urges the San Francisco Board of Supervisors to ask the California State Association of Counties and the National Association of County Supervisors to sign on to the Campaign for Sustainable Rx (Drug) Pricing.

### **CERTIFICATION**

I hereby certify that I perform the functions of the Secretary of the Health Service Board, and that the above Resolution was duly adopted and approved by the Health Service Board at a properly noticed meeting on June 9, 2016.

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Laini K. Scott