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3 Title: Rising Generic Drug Prices
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5 Introduced by: Karen Chapel, MD, for the Michigan Dermatological Society
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7 Original Author: Karen Chapel, MD
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9 Referred to: Reference Committee A
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11 House Action: **APPROVED**
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14 Whereas, patients in the United States have been subject to marked increases
15 in the prices of some generic drugs, and
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17 Whereas, numerous factors may cause price increases for non-patent-
18 protected drugs, including shortages in drugs and ingredients needed to manufacture
19 drugs, supply disruptions, and consolidations within the generic drug industry, and
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21 Whereas, significant recent increases in generic drug company user fees as
22 well as recent legislation increasing generic drug company product liability may have
23 resulted in some companies deciding to no longer sell low-profit generic medications,
24 thereby reducing competition within certain generic medication markets, and
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26 Whereas, free market forces act very slowly in generic drug markets since
27 companies typically need to invest over one million dollars to file generic drug
28 applications and since there have been recent backlogs of generic applications
29 awaiting approval from the United States Food and Drug Administration, and
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31 Whereas, generic drugs by manufacturers that hold a monopoly or oligopoly on
32 them can charge increasingly higher prices that put them out of reach for many
33 patients, the United States Federal Trade Commission will typically not intervene
34 without evidence of a conspiracy among competitors or other anticompetitive actions
35 that sustain the increased price; therefore be it
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37 **RESOLVED:** That the American Medical Association work with interested
38 parties including the United States Federal Trade Commission, United States Food
39 and Drug Administration, generic drug companies, and United States Congress to
40 explore the reasons behind increasing prices in generic drugs and possible remedies
41 for the situation, as well as to track drug prices so that greater price transparency can
42 help physicians prescribe lower cost drugs whenever reasonable alternatives are
43 available.
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46 WAYS AND MEANS COMMITTEE FISCAL NOTE: None