

MEDCHI, THE MARYLAND STATE MEDICAL SOCIETY  
HOUSE OF DELEGATES

Resolution 20-15

INTRODUCED BY: Montgomery County Medical Society

SUBJECT: Study of Increase in Cost of Generics and its Impact on Access to Health  
Care in Maryland

1 Whereas, in 2013, generic medications accounted for \$239 billion in overall savings within the health  
2 care system;<sup>1</sup> and  
3

4 Whereas, the patent cliff of brand products coupled with the cost savings associated with generics has  
5 resulted in a rise of generic drug use in the health care system; and  
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7 Whereas, in 2014, nearly 86% of all prescriptions dispensed in the United States were generic  
8 medications; and  
9

10 Whereas, for Medicare Part D plans alone the “generic dispensing rate [rose]...from 61 percent in 2007 to  
11 81 percent in 2012;”<sup>2</sup> and

12 Whereas, in recent years, however, the health care system has also seen a significant increase in the cost  
13 of generic medicines, including commonly prescribed products such as tetracycline; and  
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15 Whereas, reports indicate that this commonly prescribed generic has increased nearly 17,000% from  
16 \$0.05 per pill to approximately \$8.59 per pill;<sup>3</sup> and  
17

18 Whereas, the cause of this spike in prices is complex and alarming both to the patients who suddenly face  
19 a huge bill at the pharmacy, and to the physicians who then hear from their patients about the costs;  
20 therefore be it

21 Resolved, that MedChi work with the appropriate state agencies to examine the rising cost of generic  
22 drugs and the effect it has on the availability of delivery of quality of care for patients in Maryland.

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25 As amended and adopted by the House of Delegates at its meeting on September 29, 2015.

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<sup>1</sup> Generic Drug Savings in the U.S. (2014, January 1). Retrieved January 27, 2015, from  
[http://www.gphaonline.org/media/cms/GPhA\\_Savings\\_Report.9.10.14\\_FINAL.pdf](http://www.gphaonline.org/media/cms/GPhA_Savings_Report.9.10.14_FINAL.pdf)

<sup>2</sup> Medicare Payment Advisory Committee. Report to Congress. Retrieved April 8, 2015 from  
<http://www.medpac.gov/documents/fact-sheets/fact-sheet-on-medpac's-2015-march-report-to-the-congress-medicare-payment-policy.pdf?sfvrsn=0>.

<sup>3</sup> Reform Update: Generic drugs' high prices spur fears of failed drug adherence. (2014, October 9).  
Retrieved January 27, 2015, from <http://www.modernhealthcare.com/article/20141009/NEWS/310099962>