

RESOLUTION CONCERNING patients' out-of-pocket costs and the biopharmaceutical supply chain

WHEREAS, the U.S. biopharmaceutical industry is a worldwide leader in business R&D that leads to discoveries that save lives and contribute to U.S. economic growth; and,

WHEREAS, this investment in future treatments and cures makes the U.S. biopharmaceutical sector one of the few manufacturing industries that maintains a significant employment footprint domestically, supporting more than 4.7 million American jobs; and,

WHEREAS, the skills required to build biopharmaceutical facilities are incredibly complex, requiring exacting standards to ensure the safety and efficacy of life-saving treatments and cures; and,

WHEREAS, North America's Building Trades Unions spend upwards of \$1.5 billion training their members each year to provide the safest, best trained, most productive workers in the world and often learn techniques specific to building and retrofitting biopharmaceutical research and manufacturing facilities; and,

WHEREAS, the men and women of the building trades unions are not only partners in the development of new medicines, but are also lifelong patients who rely on these medicines for health and wellbeing; and,

WHEREAS, union members are one of the largest constituent purchasing groups of biopharmaceutical products through the comprehensive, jointly managed benefits plans negotiated by their leaders and their employer partners, and are therefore stakeholders in managing costs of the biopharmaceutical supply chain; and,

WHEREAS, Pharmacy Benefit Managers (PBMs) are intermediaries in the biopharmaceutical supply chain which are contracted to negotiate discounts with manufacturers on behalf of such plans, self-insured employer plan sponsors and insurers, and due to market consolidation represent tremendous negotiating power; and,

WHEREAS, biopharmaceutical manufacturers consistently provide significant discounts off the list price of medicines to insurers and PBMs in the form of rebates; and,

WHEREAS, negotiated rebates are often not passed on in the form of savings to patients, and further, oftentimes patients whose cost-sharing is tied to the list price may pay more than their insurer for a medicine; and,

WHEREAS, PILMA has longstanding positions against barriers to access for all patients, which includes high out-of-pocket costs in the form of deductibles and cost-sharing; therefore,

BE IT RESOLVED that the trade union and company trustees of the Pharmaceutical Industry Labor-Management Association recognize that more transparency is needed in the entire supply chain that delivers medicines from manufacturer to patient; and,

BE IT RESOLVED that PILMA supports policies that would require that PBMs and other recipients of rebates, discounts and other favorable pricing savings pass on such savings so they inure directly to benefit of patients and participants of jointly managed plans and will call on policymakers to support common sense policies that lower patients' out-of-pocket costs.