



## National Lieutenant Governors Association

### NLGA Consensus Resolution to Consider Policies Helping Maintain Access to Affordable Medicines

**WHEREAS**, 2024 is the 40<sup>th</sup> Anniversary of the Drug Price Competition and Patent Restoration Act, known as the “Hatch-Waxman Act,” which created the pathway for the introduction of generic drugs into the US healthcare system, and

**WHEREAS**, in the last ten years alone, the use of generics has saved patients and the US healthcare system almost \$3 trillion dollars,<sup>1</sup> and

**WHEREAS**, some current generics prices are at such low levels that some manufacturers have lost the capacity to recover the costs of developing and manufacturing,<sup>2</sup> and

**WHEREAS**, generics prices may too low, as noted by U.S. Food and Drug Administration (FDA) Commissioner Dr. Robert Califf who said, “We have got to fix the core economics if we’re going to get this situation fixed,”<sup>3</sup> and

**WHEREAS**, a recent IQVIA report highlights the challenges facing generics and the shortages found in sterile injectables; multisource generic markets, and low-cost products below \$1 and \$5,<sup>4</sup> and

**WHEREAS**, the U.S. Department of Health and Human Services (HHS) white paper, “*Policy Considerations to Prevent Drug Shortages and Mitigate Supply Chain Vulnerabilities in the United States*,” suggests that “incentives throughout the supply chain must be reimagined to ensure the resilience and supplier redundancy required to prevent drug shortages from occurring.”<sup>5</sup>

**NOW, THEREFORE, BE IT RESOLVED** that states and territories and their constituents benefit from the availability of lower cost generic and medicines.

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<sup>1</sup> Association for Accessible Medicines. (Sep 2023). “2023 U.S. Generic and Biosimilar Medicines Savings Report”. Available at: <https://accessiblemeds.org/resources/reports/2023-savings-report>

<sup>2</sup> Association of Accessible Medicines. Drug Shortages: Causes & Solutions. Accessed at: [https://accessiblemeds.org/sites/default/files/2023-06/AAM White Paper on Drug Shortages-06-22-2023.pdf](https://accessiblemeds.org/sites/default/files/2023-06/AAM%20White%20Paper%20on%20Drug%20Shortages-06-22-2023.pdf)

<sup>3</sup> Jewett, C. “Drug Shortages Near an All-Time High, Leading to Rationing”. (May 17, 2023). New York Times, Available at: <https://www.nytimes.com/2023/05/17/health/drug-shortages-cancer.html>

<sup>4</sup> QVIA Institute. (Nov 2023). “Drug Shortages in the U.S. 2023”. Available at: <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/drug-shortages-in-the-us-2023>

<sup>5</sup> [Policy Considerations to Prevent Drug Shortages and Mitigate Supply Chain Vulnerabilities in the United States | ASPE \(hhs.gov\)](https://www.hhs.gov/policy-considerations-to-prevent-drug-shortages-and-mitigate-supply-chain-vulnerabilities-in-the-united-states)

23 **BE IT FURTHER RESOLVED** that National Lieutenant Governors Association (NLGA)  
24 Members note that supply chain and strategic stocking impact and are important to the  
25 availability of generics.

26 **BE IT FURTHER RESOLVED** that NLGA Members note it is important to question the impact  
27 of policies on the availability of generics.

28 **ADOPTED**, this day, the 1<sup>st</sup> of August, 2024.

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30 *Proposed for the docket by:* Sandoz, NLGA Partner