

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 012  
(A-24)

Introduced by: Mississippi

Subject: Ethical Pricing Procedures that Protect Insured Patients

Referred to: Reference Committee on Amendments to Constitution and Bylaws

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1 Whereas, healthcare organizations that provide direct care (such as clinics, pharmacies,  
2 hospitals, and the like) are operating on increasingly small profit margins and many are on the  
3 brink of bankruptcy; and  
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5 Whereas, the health insurance industry as a whole is consistently posting significant profits; and  
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7 Whereas, many health insurance companies are publicly traded and, thusly, their directors hold  
8 a fiduciary duty to their shareholders to make decisions based on the company's best financial  
9 interests for the end of increased profit margins without sufficient regard to the beneficiaries (the  
10 insureds) that pay for their services; and  
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12 Whereas, the process of pricing medications for consumers is increasingly complicated,  
13 involving many middlemen and questionable practices that are not disclosed to the public under  
14 the guise of "proprietary means"; and  
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16 Whereas, this complicated process has been manipulated by health insurance companies,  
17 pharmaceutical manufacturers, pharmacy benefit managers, and other stakeholders to  
18 negotiate terms that offer benefits for themselves without sufficient regard to the best interests  
19 of their insured patients; and  
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21 Whereas, under the current system, insured patients pay a monthly premium in good faith  
22 believing that their health insurer will arrange for medications to be bought by them (the  
23 insureds) at a lower cost point than could otherwise be achieved without insurance or some  
24 other non-paid service; and  
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26 Whereas, the current system has betrayed the aforementioned good faith of the insured patients  
27 by utilizing a pricing process that results in higher prices to the patient for many medications  
28 than could be achieved without insurance coverage (cash price) or with the aid of a free  
29 "discount card" (such as GoodRX); and  
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31 Whereas, this betrayal of the insured patients' good faith represents a flaw of the system that is  
32 woefully unethical and should be identified as such by insureds as well as their advocates (the  
33 House of Medicine) and should be addressed by lawmakers for consumer and patient  
34 protection; and  
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36 Whereas, physicians are a cornerstone in the House of Medicine and, by nature of their  
37 profession, are fierce patient advocates, safeguarding the patient's best interests; and  
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39 Whereas, the American Medical Association (AMA) is the most prominent and powerful unified  
40 voice of Physicians; therefore be it

1 RESOLVED, that our American Medical Association advocate for policies that limit the cost of a  
2 medication to an insured patient with medication coverage to the lower range of prices that a  
3 non-covered patient can achieve at cash price either before or after application of a non-  
4 manufacturer's free discount card (such as GoodRx) (Directive to Take Action); and be it further  
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6 RESOLVED, that our AMA write a letter to lawmakers and other pertinent stakeholders  
7 describing the ethical dilemma of the medication pricing process and how it adversely affects  
8 insured patients. (Directive to Take Action)  
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Fiscal Note: Modest - between \$1,000 - \$5,000

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