



the campaign for
**SUSTAINABLE
Rx PRICING**

National Coalition on Health Care Launches “Campaign for Sustainable Rx Pricing”

New Campaign Will Put a Spotlight on Abuse of Market Power in Drug Pricing and Risks to Patients, Taxpayers, and Future Innovation

Washington DC – The National Coalition on Health Care (NCHC), today launched the “[Campaign for Sustainable Rx Pricing](#)” to spotlight what the group characterizes as “unsustainable and abusive” prices for some medicines. The Campaign is led by NCHC President and CEO John Rother and aims to spark a national dialogue about the need to find market-based solutions to the problems caused by the onslaught of new high-priced prescription medicines.

Rother pointed specifically to Sovaldi, a drug manufactured by Gilead Pharmaceuticals and used to treat patients with hepatitis C, that has drawn the ire of employers, consumer groups, state Medicaid programs, public health advocates, and payers. The drug is priced at \$84,000 per 12 week treatment - or \$1,000 per pill, and is often combined with other treatments bringing the total cost closer to \$150,000 per patient.

“Sovaldi is the canary in the coal-mine, alerting all of us that disaster is coming unless something is done to prevent it,” said **John Rother**, whose group includes more than 80 organizations, representing employers, purchasers, providers, and consumers. “Unfortunately, the problem is far bigger than one drug – we are talking about a tsunami of expensive medicines that could literally bankrupt the health care system.”

Dr. Jack Lewin, Chairman of the NCHC board and former CEO of the California Medical Association and the American College of Cardiology said, “Our health care system cannot sustain these continued escalating drug prices. Stakeholders across the health care system need to work together to solve this problem – and pharmaceutical companies are going to have to come to the table and be part of the solution.”

Rother noted that the system of new drug innovation has produced some remarkable results and that his group wanted to protect and encourage future innovation. “Innovation isn’t sustainable if the system can’t afford it – part of the social contract is that innovators need to balance their profits with the public good.” Rother added that, “Sovaldi looks very much like an abuse of market power and we are going to shine a light on it and see what happens.”

To learn more about the Campaign for Sustainable Rx Pricing, please visit <http://www.csrxp.org>



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AARP, which represents more than 37 million consumers over age 50 reinforced the coalition's concerns. According to **Debra Whitman, AARP's Executive Vice President for Policy, Strategy and International Affairs**, "The debate surrounding the introduction of Sovaldi is part of a much larger issue: escalating specialty drug prices that will impact everyone in the health care system, regardless of whether they are taking one themselves, through increased premiums and cost sharing. We applaud NCHC for taking on this issue through its new Campaign for Sustainable Drug Pricing."

The issue of higher cost drugs, especially "specialty drugs", is only going to become more critical to deal with in the coming years. One estimate notes that by 2020, spending on specialty drugs will quadruple from \$87 billion to more than \$400 billion. This continued growth in spending will put significant upward pressure on premiums in the private marketplace as well as in public programs like Medicare.

The threat to the economy is a real concern and business leaders have expressed dismay at the rising cost of new medicines. According to **David Lansky, President and CEO of the Pacific Business Group on Health**, "The pricing of new, specialty drugs poses serious challenges to those who pay for health care, and Sovaldi is just the first of many similar drugs that are in the pipeline. Stakeholders will need to work together and develop new approaches for drug approvals, treatment indications, and financing to ensure that all patients who need these emerging treatments can afford and benefit from them."

The National Coalition on Health Care is America's oldest and most diverse group working to achieve comprehensive health system reform. Founded in 1990, NCHC is a 501 (c)(3) tax exempt organization representing more than 80 participating organizations, including medical societies, business, unions, health care providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, minorities, and persons with disabilities. Our member organizations collectively represent – as employees, members, or congregants – over 100 million Americans.