

Testimony Submitted for the Record

U.S. House Committee on Energy and Commerce

Subcommittee on Health

Hearing: Improving Drug Pricing Transparency and Lowering Prices for American Consumers

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May 21, 2019

Chairwoman Eshoo, Ranking Member Burgess, and members of the U.S. House Committee on Energy and Commerce, the Campaign for Sustainable Rx Pricing (CSRxP) thanks you for the opportunity to submit testimony for the record on legislation under consideration to increase transparency and lower prescription drug prices. We very much appreciate your leadership in advancing these critically important issues, which will help make prescription drugs more affordable for all Americans.

CSRxP is a nonpartisan coalition of organizations committed to fostering an informed discussion on sustainable drug pricing and to developing bipartisan, market-based solutions that promote competition, transparency, and value to improve affordability while maintaining patient access to innovative prescription drugs that can improve health outcomes and save lives. Our members represent organizations including consumers, hospitals, physicians, nurses, pharmacists, employers, pharmacy benefit managers and insurance providers.

Prescription drug prices are out of control and continue to grow at unsustainable rates. Twenty-three cents of every health care dollar goes toward prescription drugs.¹ One in four Americans cannot afford their medications. Excessively high prices unfairly threaten the financial security, health and wellbeing of U.S. patients and their families every day, as well as strain Federal and state health budgets and the taxpayers who fund them. Too often patients are faced with the unfortunate and unfair choice of purchasing the medications they need to get well and stay healthy and paying their bills. Patients simply should never be presented with such a choice and deserve affordable access to prescription drugs.

Given the critical drug pricing crisis facing U.S. consumers and taxpayers today, CSRxP ardently believes it is imperative to rein in the out-of-control drug prices that put patient access to affordable life-saving drugs at risk. We share and applaud the Committee's commitment to lowering drug prices and very much appreciate your leadership in tackling this critically important issue that U.S. patients and taxpayers face every day.

CSRxP in particular wishes to applaud the Committee's efforts to increase transparency in prescription drug pricing. We ardently believe that improving transparency in prescription drug pricing is a critical component to making prescription drugs more affordable for consumers and taxpayers. Among other benefits, increased transparency will better enable transformation of the U.S. healthcare system toward

¹ AHIP. "[Where Does Your Healthcare Dollar Go?](#)" May 22, 2018.

one based on value; will better inform patients, prescribers, and dispensers of actual drug costs as they determine the most appropriate treatments to meet individual patient needs; and encourage drug makers to actually justify the high prices they unilaterally set for their products. To this end, as discussed below, CSRxP wishes to offer support for a number of bills the Committee is considering that will enhance transparency in prescription drug pricing and costs and lead to lower prices for consumers and taxpayers.

Support for the FAIR Drug Pricing Act: Drug companies unilaterally are responsible for setting high list prices and increasing them at excessively high rates. High drug prices unfortunately harm patients by putting access at risk to the affordable medications that improve their health outcomes and quality of life. Therefore, CSRxP supports the Fair Accountability and Innovative Research (FAIR) Drug Pricing Act, which will require drug makers to justify unreasonably high price increases for their products to the U.S. Department of Health and Human Services (HHS). Mandating that drug companies justify their abusive and unfair price gouging practices will place pressure on them to reduce prices and increase prescription drug affordability for consumers and taxpayers.

Support for the SPIKE Act: CSRxP strongly believes that drug makers should be held accountable for their abusive price gouging practices that jeopardize patient access to the affordable prescription drugs they need to get well and stay healthy. As such, CSRxP supports the Stopping the Pharmaceutical Industry from Keeping drugs Expensive (SPIKE) Act, which will require drug makers to submit to HHS a written justification of their prices for drugs with significantly high launch prices and excessive price increases. As stated above, we believe that making drug makers justify their needlessly high prices will increase pressure on them to lower prices and cost for consumers and taxpayers.

Support for the Drug Price Transparency Act: CSRxP supports the Drug Price Transparency Act. This legislation will require all manufacturers to submit Part B drug pricing data to HHS. Submission of such data will ensure that Medicare has fully transparent, complete and accurate data on Part B drug prices, resulting in more accurate Medicare payments to providers for these prescription drugs whose costs are continuing to grow at rates far in excess of the rest of the Medicare program.

Support for the Sunshine for Samples Act: Free prescription drug samples can be helpful for patients, particularly for those on limited incomes that need to take expensive medications to get well and stay healthy. However, CSRxP is concerned that free samples also can serve as marketing tools that inappropriately could incentivize patients and providers to use and prescribe drugs, respectively, that may not be the most cost-effective treatment option for the patient's individual healthcare needs. Making publicly available the value of the free samples that drug makers provide will meaningfully improve transparency, better ensuring that prescribers and patients select the most cost efficient and medically appropriate therapy to treat the patient's condition and therefore CSRxP supports the Sunshine for Samples Act.

Support for the Creating Lower cost Alternatives for Your prescription drugs Act: The Creating Lower cost Alternatives for Your prescription drugs Act will reduce cost-sharing for Medicare Part D Low-Income Subsidy (LIS) beneficiaries to \$0 for generic drugs. As a result, this legislation importantly both will make prescription drugs more affordable for vulnerable low-income beneficiaries as well as increase the efficiency of the Medicare Part D program. As such, CSRxP supports the Creating Lower cost Alternatives for Your prescription drugs Act.

Conclusion

In conclusion, CSRxP again wishes to express appreciation for your leadership and the Committee's clear commitment to improving transparency and lowering prescription drug prices for all Americans. We thank the Committee for the opportunity to submit testimony for the record to support legislation that enhances transparency in prescription drug pricing and lowers prices for consumers. CSRxP firmly believes that without major actions by this Committee and others, the brand pharmaceutical industry will continue to excessively profit from their unfair and unsustainable pricing practices that increase drugs costs and risk access for the patients who need them. CSRxP looks forward to continue working with the Committee to develop bipartisan, market-based policies that promote transparency, foster competition, and incentivize value to improve affordability for consumers while at the same time maintaining access to the treatments that can improve health outcomes and save lives.