



the campaign for
SUSTAINABLE Rx PRICING

July 24, 2019

The Honorable Chuck Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

The Campaign for Sustainable Rx Pricing (CSRxP) wishes to commend you for your strong bipartisan efforts to lower prescription drug prices for Americans by moving forward with the U.S. Senate Committee on Finance package on drug pricing. CSRxP believes that the Senate Finance package is a good first step in slowing the unsustainable growth in prescription drug prices to make drugs more affordable for U.S. consumers and taxpayers. We very much appreciate your leadership in seeking to address this critically important issue that so many Americans face every day.

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 needlessly high and continue to grow at unsustainable rates. Twenty-three cents of every health care dollar go 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 on a daily basis, as well as strain Federal and state health budgets and the taxpayers who fund them. Too often patients experience the unfortunate and unfair choice of purchasing the medications they need to get well and stay healthy and paying their bills. Patients should never be presented with such a choice.

CSRxP therefore ardently believes it is imperative to rein in out-of-control drug prices and welcomes the leadership of the Committee in seeking to address this vexing problem. In this light, CSRxP applauds many of the provisions in the Finance Committee package, which will have a meaningful, positive impact on American patients by helping to lower their needlessly high out-of-pocket spending on prescription drugs.

In particular, CSRxP applauds the Committee's commitment to lower the especially high prices that Medicare beneficiaries have to pay for drugs covered by Part D. We agree that capping out-of-pocket costs will meaningfully improve prescription drug affordability for many Part D enrollees, particularly those seniors with high drug costs who live on limited, fixed incomes.

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

Further, we are encouraged that the Committee is finally holding Big Pharma accountable for the high prices they unilaterally impose on patients by requiring the industry to pay a portion of costs in Part D catastrophic coverage. We strongly recommend that the Committee further refine the policy to make Big Pharma assume an even greater portion of the reinsurance liability than the current 20 percent share in the package and to continue some responsibility in the earlier phase of the benefit so that beneficiaries can save even more on out-of-pocket spending through lower premiums and reduced cost-sharing. CSRxP also strongly encourages the Committee to include policies that address high launch prices so that patients will have better protection against high costs for new drugs that enter the market.

In addition, we welcome policies that keep growth of prescription drug prices in line with inflation. Big Pharma has been unfairly imposing significant price increases on consumers for years and policies to limit price growth will substantially increase patient affordability. Indeed, we agree with healthcare expert Avik Roy who recently said: “The go-to argument for the drug lobby is that limiting government subsidy growth to inflation is a ‘price control.’ But it’s nothing of the sort, as subsidies are not prices. Under the Senate Finance proposal, drug companies would continue to be able to set whatever prices they wish for their products. But growth in *subsidies* to drug companies would be limited by consumer inflation.”²

CSRxP ardently supports increasing transparency in Big Pharma drug pricing practices and requiring drug makers to justify the unnecessarily high prices they set for their products. We recommend the Committee further strengthen the provision by giving less flexibility to industry in order to be more meaningful and impactful for patients.

CSRxP also applauds the multiple policies in the package that will foster and incentivize development and increased utilization of biosimilars. Specialty drugs are driving up costs for consumers, payers, and Federal health programs like Medicare. Having more biosimilars available on the market will give patients more treatment options with reduced out-of-pocket costs.

In addition, while we welcome the goal of looking for innovative ways to lower drug costs, we continue to have significant concerns that long-term financing models such as those included in the Senate package will increase – not decrease – costs for consumers and taxpayers. Multi-year financing tools would encourage brand drug makers to set high prices by blunting the total upfront cost of the drug and then imposing significant cost burdens on patients and State Medicaid programs for many years thereafter.

In conclusion, CSRxP again wishes to thank you for your leadership and to applaud the bipartisan collaboration of the Committee in developing a package that represents a good first step in reducing prescription drug prices for consumers. We look forward to our continued work with the Committee to adopt and implement these and other bipartisan, market-based solutions that will slow the unsustainable growth in prescription drug prices for U.S. consumers and taxpayers without imperiling the discovery of innovative breakthrough therapies that can improve the health and well-being of patients.

Sincerely,

Lauren Aronson
Executive Director
Campaign for Sustainable Rx Pricing

² Roy, Avik. [“Inside the Pharmaceutical Lobby’s Campaign for More Subsidies Through Medicare Part D.”](#) *Forbes*. July 19, 2019.