



# the campaign for **SUSTAINABLE Rx PRICING**

## **NO PRICE HIKES: BIG PHARMA MUST SUSPEND SUMMER PRICE INCREASES AMID HISTORIC ECONOMIC UNCERTAINTY FOR MILLIONS OF AMERICANS**

### **COVID-19 AND THE CRISIS OF PRESCRIPTION DRUG PRICES**

Before the COVID-19 crisis, more than [58 million](#) Americans struggled to afford their prescription drugs. Now, the economic impact of the pandemic has left [millions more](#) American workers, families and seniors struggling just to stay afloat.

Prescription drug prices are out-of-control. Too many Americans were already unable to afford their medications and resorting to dangerous measures like rationing — before the historic economic uncertainty of the current crisis. It is critical patients are able to take their medications as prescribed in order to stay healthy. Now is not the time for price hikes that can push necessary prescription drugs out of reach for more Americans. Big Pharma companies must suspend biennial price hikes this summer.

### **BIG PHARMA'S BIENNIEL PRICE HIKES**

Big Pharma companies traditionally hike prescription drug prices in two large biennial batches: At the start of the year and mid-year in early summer. In January of this year, Big Pharma [hiked prices](#) on over 600 drugs by an average of 5.2 percent. Last summer, Big Pharma [hiked prices](#) on 104 drugs by an average of 13.1 percent.

During these challenging times, Big Pharma companies should suspend the practice of biennial summer price hikes on their products. At this critical moment, American patients and families need relief, not higher prices.

### **BIG PHARMA'S PRICE-HIKING HISTORY**

Every year, Big Pharma companies reliably hike prices in two large [batches](#) — including around the start of summer:

- **January 2020:** Big Pharma rang in the new year by [hiking](#) prescription drug prices on more than 600 drugs by an average of 5.2 percent.
- **July 2019:** Last July, Big Pharma [raised](#) prescription drug prices on 104 drugs by an average of 13.1 percent.
- **Over Five Years:** Over five years, Big Pharma has raised the price of brand name drugs at [10 times](#) the rate of inflation.

### **CUTTING THROUGH BIG PHARMA'S R&D RHETORIC**

Big Pharma routinely tries to justify drug price hikes by pointing to research and development (R&D). The fact of the matter is:

- **Price Hikes Aren't Connected To Drug Improvements:** Drug companies hiked prices on seven popular drugs in 2017 and 2018 with [no evidence](#) that the drugs had been improved, resulting in \$5.1 billion in increased costs.
- **Big Pharma Puts Profits Before R&D:** Big Pharma used a [windfall](#) from the Tax Cuts and Jobs Act of 2017 to line shareholders' pockets, rather than invest in R&D. In fact, the single-year increase in payouts to Wall Street and shareholding Big Pharma board members and executives was 17 times larger than the increase in R&D spending.
- **The Industry Is Thriving While Millions Are Struggling:** 12 of the largest Big Pharma companies reported [expectation-beating earnings](#) for the first quarter of 2020 after hiking prices on American patients.

Big Pharma is busting profit and revenue expectations and receiving billions of dollars in research funding from taxpayers while millions of Americans are struggling — these companies must suspend traditional summer price hikes now. [Learn More](#).

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**About CSRxP:** The [Campaign for Sustainable Rx Pricing](#) is a broad-based coalition of physicians, nurses, hospitals, consumers, health plans, pharmacy benefit managers, pharmacists, and businesses promoting bipartisan, market-based solutions to lower drug prices. Learn more: [www.csrpx.org](http://www.csrpx.org)