

A D D E N D U M
to
REDUCING PRESCRIPTION DRUG PRICES:
HOW COMPETITION CAN MAKE MEDICATIONS
AFFORDABLE FOR PATIENTS

This Addendum is available at:

<https://www.govinfo.gov/content/pkg/CHRG-118shrg61373/pdf/CHRG-118shrg61373-add1.pdf>

Submitted by Chair Durbin:

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PATIENTS FOR AFFORDABLE DRUGS NOW™

October 28, 2024

The Honorable Dick Durbin
Chairman
Senate Committee on the Judiciary
224 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Lindsey Graham
Ranking Member
Senate Committee on the Judiciary
224 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Durbin and Ranking Member Graham:

Thank you for holding the field hearing entitled, “Reducing Prescription Drug Prices: How Competition Can Make Medications Affordable for Patients”. We appreciate your continued focus on this important issue. Increased competition in the prescription drug market will help the patients that we represent better afford essential medications. We are thus urging Congress to enact policies to increase competition before the end of the 118th Congress.

Patients for Affordable Drugs Now is an independent, bipartisan patient advocacy organization that focuses exclusively on policies to lower prescription drug prices. We do not accept funding from any organizations that profit from the development or distribution of prescription drugs. Since we launched seven years ago, we have collected over 35,000 stories from patients across all 50 states struggling to pay high drug prices.¹

Americans already pay between three and eight times what people in other wealthy nations pay for the exact same brand-name drugs.² Meanwhile, about three in ten Americans report³ having difficulty affording their medications. When their prescription drug prices are too high, Americans face challenges affording other expenses, such as food and housing. One survey found that over 20 percent of people took on debt or declared bankruptcy because of their medications.⁴

¹ P4AD Map. Patients for Affordable Drugs. (n.d.). <https://map.patientsforaffordabledrugs.org/>

² Mulcahy, A. W, Schwam, D., & Lovejoy, S. L. (2024, February 1). *International Prescription Drug Price Comparisons: Estimates Using 2022 Data*. RAND Corporation. https://www.rand.org/pubs/research_reports/RR788-3.html

³ Sparks, G., Kirzinger, A., Montero, A., Valdes, I., & Hamel, L. (2024, October 4). *Public opinion on prescription drugs and their prices*. KFF. <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/>

⁴ Nguyen, A. (2021, March 22). *Survey: Americans Struggle to Afford Medications as COVID-19 Hits Savings and Insurance Coverage*. GoodRx. <https://www.goodrx.com/healthcare-access/research/survey-covid-19-effects-on-medication-affordability>

Patients For Affordable Drugs Now strongly supports policies that will help speed generic drugs and biosimilars to market, as robust competition is essential to making prescription drugs more affordable. Our patent system was designed to reward innovation and incentivize the development of clinical breakthroughs and inventions that bring meaningful benefits to patients. Unfortunately, brand-name drug companies have employed a variety of strategies to abuse our patent system to extend monopolies and keep prices high for patients far beyond what Congress intended. Bills recently passed by the Senate Judiciary Committee will help to mitigate some of these abuses and increase utilization of lower-cost generic drugs and biosimilars—without stifling innovation or research.

Absent robust competition, prices for many brand name drugs will continue to increase unchecked. A report published by the U.S. Department of Health and Human Services found that between January 2022 and January 2023, the prices of more than 4000 drugs were increased. The average price increase was 15.2%—an average increase of \$590 per drug.⁵ While generic drugs now account for more than 90% of all retail prescriptions filled in the United States, they account for only 20% of total spending on prescription drugs.⁶ The Congressional Budget Office estimates the package of bipartisan bills we are advocating for will collectively save taxpayers approximately \$5 billion over the next 10 years without hurting innovation.⁷⁸⁹

In February 2023, the Senate Judiciary Committee on strong bipartisan votes advanced several pieces of legislation that Patients For Affordable Drugs Now strongly supports on this issue, including S. 150, S. 142, S.148, and S.79. Since that time, the Committee held a hearing to further explore the need to improve competition in the prescription drug market. I was proud to testify before the Committee during that hearing and heard firsthand the bipartisan support for enacting these bills before the end of the year. In addition, an amended version of S.150 passed the Senate by unanimous consent in July 2024. It is now time for Congress to act to finally pass these bills into law. What's more, these bills would produce savings for the federal government that could be used to offset other pressing health care priorities.

Thank you again for holding this field hearing focused on the need for more affordable medications. We look forward to continuing our work together to ensure that all patients have access to the prescription drugs they need.

⁵ Bosworth, A., Sheingold, S., Finegold, K., Sayed, B. A., De Lew, N., & Sommers, B. D. (2023, October 6). *Changes in the list prices of prescription drugs, 2017-2023*. Office of the Assistant Secretary for Planning and Evaluation. <https://aspe.hhs.gov/reports/changes-list-prices-prescription-drugs>

⁶ Association for Accessible Medicines. (2023, September). *Report: 2023 U.S. Generic and Biosimilar Medicines Savings Report*. <https://accessiblemeds.org/resources/reports/2023-savings-report>

⁷ Congressional Budget Office. (2024, June 13). *Cost Estimate: At a Glance S.150 Affordable Prescriptions for Patients Act* <https://www.cbo.gov/system/files/2024-06/s150.pdf>

⁸ Congressional Budget Office. (2024 March 13). *Cost Estimate: At a Glance S.142 Preserve Access to Affordable Generics and Biosimilars Act*. <https://www.cbo.gov/system/files/2024-03/s142.pdf>

⁹ Congressional Budget Office. (2024 March 13). *Cost Estimate: At a Glance S.148 Stop STALLING Act*. <https://www.cbo.gov/system/files/2024-03/s148.pdf>

Sincerely,

A handwritten signature in dark ink, appearing to read "David Mitchell". The signature is fluid and cursive, with a horizontal line crossing through the middle of the name.

David Mitchell
President and Co-Founder
Patients For Affordable Drugs NOW



November 5, 2024

Hon. Dick Durbin
Chairman, Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, DC, 20510

Hon. Lindsey Graham
Ranking Member, Senate Judiciary Committee
224 Dirksen Senate Office Building
Washington, DC, 20510

Re: Statement for the record: Senate Judiciary Hearing on Prescription Drug Prices

Dear Chairman Durbin and Ranking Member Graham:

On behalf of Transparency-Rx, which represents over 15 million covered lives in the U.S., I am writing to express support for the Judiciary Committee's field hearing on prescription drug prices. Transparency-Rx is an innovative not-for-profit led by transparent pharmacy benefit managers (PBMs) that provides sound policy to galvanize prescription drug affordability for job-creators, seniors, patients, and consumers. We work with companies, leaders, and employers, with operations and partnership in all 50 states. The founding members of Transparency-Rx include AffirmedRx, Liviniti, MedOne Pharmacy Benefit Solutions Rx, Navitus Health Solutions, PBDRx, RxPreferred Benefits and SmithRx. (transparency-rx.com).

We're writing to commend the Judiciary Committee's for holding a field hearing to examine the nation's prescription drug supply chain given glaring need of structural reform.

The Committee's considerable focus on Medicare price negotiations is important, as seniors should not be held liable at the counter for inadequate price setting mechanisms in the supply chain. But we, as transparent PBMs, would like to most strongly support comments aimed at reforming PBM practices.

The FTC, *the New York Times*, and myriad of researchers and institutions have demonstrated the repeated and deliberate ways in which big PBMs are squeezing both Medicare and commercial markets. These practices reflect an anti-competitive and opaque market, in dire need of meaningful federal reform. Rep. Raja Krishnamoorthi illustrated this best at the hearing, "*PBMs have the power to kill off their competition*". This is why we're supportive of comprehensive PBM reform proposals – to open the market, inject competition, and subsequently lower prescription drug costs.

Further, the venue of the United States courthouse in Illinois underscored comments made in the hearing by Illinois Attorney General Kwame Raoul. Earlier this year, Attorney General Raoul uncovered the “offshoring” of forty-five million dollars’ worth of American healthcare dollars to a previously undisclosed foreign rebate aggregator (Group Purchasing Organizations (GPOs)) and other illicit PBM practices - an apparent violation of the state contract and state law. Amidst settling this forty-five-million-dollar violation, big PBM executives repeatedly assured Congress of the value proposition of their GPOs, and the integrity of their business practices. Suffice to say, Illinois Attorney General Kwame Raoul’s comments and findings at this hearing, raise real questions about the credibility and candor of these executives and the practice of big PBMs. We encourage appropriate and on-going action by the Senate Judiciary Committee.

Transparency-Rx continues to support the Judiciary Committee’s work, and we are optimistic that the Congress will soon enact legislative proposals which increase transparency, oversight, and enforcement of PBM practices. Despite buoyed Congressional interest as of late, the prescription drug pricing and reimbursement system remains opaque. As long as big PBM’s bottom lines are cushioned by higher drug prices extracted from the pockets of hard-working Americans and seniors and job-creators, insurers or PBMs will never lower drug prices without an innovative policy proposal advancing through Congress addressing their misaligned incentives, market control, and many conflicts of interest.

We appreciate your leadership. Please let us know if there is anything we can do to help as you continue to consider issues relating to the prescription drug supply chain.

Sincerely,

A handwritten signature in cursive script that reads "Joseph Shields".

Joseph M. Shields, Esq.
President, Transparency-Rx