

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

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MEMORANDUM

December 6, 2021

To: Members of the Committee on Oversight and Reform

Fr: Committee Staff

Re: Hearing on “Unsustainable Drug Prices: Findings from the Committee’s Drug Pricing Investigation and the Need for Structural Reforms”

On **Thursday, December 9, 2021, at 10:30 a.m.**, the Committee on Oversight and Reform will hold a hybrid hearing **in room 2154 of the Rayburn House Office Building and on the Zoom video platform** to examine the findings from the Committee’s nearly three-year investigation into pharmaceutical pricing and business practices. The hearing will also evaluate the need for structural reforms to lower prescription drug prices in the United States.

I. BACKGROUND

For years, prescription drug companies have aggressively raised prices on existing drugs and set higher launch prices for new drugs, all while recording windfall profits. In the five-year period from 2016 to 2020, pharmaceutical companies raised the prices of branded prescription drugs by 36%—almost four times the rate of inflation during that period.¹ Patients in the United States pay more than twice as much for their prescription drugs as patients in 32 other developed nations.²

On January 14, 2019, at the direction of the late Chairman Elijah E. Cummings, the Committee launched a comprehensive investigation into the pricing and business practices of companies that sell some of the costliest drugs to the Medicare program. The purpose of the investigation was to determine why drug companies are increasing prices so dramatically, how drug companies are using the proceeds, and what steps can be taken to reduce prescription drug prices.

¹ *4 Recommendations to Guide the FDA in Its Analysis of the U.S. Patent System*, Medium: I-MAK (July 30, 2021) (online at <https://i-makglobal.medium.com/4-recommendations-to-guide-the-fda-in-its-analysis-of-the-u-s-patent-system-6f212b6d9d82>).

² RAND Corporation, *International Prescription Drug Price Comparisons: Current Empirical Estimates and Comparisons with Previous Studies* (2021) (online at www.rand.org/pubs/research_reports/RR2956.html).

The Committee has released eight staff reports with findings from its investigation, including six reports detailing the pricing and business practices of the companies AbbVie Inc., Amgen Inc., Celgene Corporation, Mallinckrodt Pharmaceuticals, Novartis Pharmaceuticals Corporation, and Teva Pharmaceutical Industries Ltd.³ The Committee has also held five hearings on this topic with drug company executives, health policy experts, patients, and other stakeholders.

II. HEARING PURPOSE

The purpose of the hearing is to examine findings from the Committee’s investigation into the pharmaceutical industry’s pricing and business practices and the impact on patients, families, and the American health care system. The hearing will also evaluate reforms needed to promote competition and lower prescription drug prices in the United States.

III. WITNESSES

Ms. Mindy Salango

Patient Advocate with Type 1 Diabetes
Morgantown, West Virginia

Dr. Reshma Ramachandran

Physician-Fellow, Yale National Clinician Scholars Program
Co-Chair, Doctors for America Drug Affordability Action Team

Prof. Rena Conti, PhD

Associate Professor, Department of Markets, Public Policy, and Law
Questrom School of Business
Boston University

Mr. David Mitchell

President and Founder
Patients for Affordable Drugs

Prof. Erin Trish, PhD

Co-Director, University of Southern California Schaeffer Center
Assistant Professor, Department of Pharmaceutical and Health Economics, University of Southern California School of Pharmacy

Staff contacts: Leesa Klepper, Kelly Hennessy, Katie Teleky, Courtney Miller, and Miles Lichtman at (202) 225-5051.

³ Committee on Oversight and Reform, *Drug Pricing Reports* (online at <https://oversight.house.gov/drug-pricing-reports-0>).