the campaign for SUSTAINABLE Rx PRICING

July 17, 2018

The Honorable Greg Walden Chairman Energy and Commerce Committee United States House of Representatives Washington, D.C. 20515 The Honorable Frank Pallone Ranking Member Energy and Commerce Committee United States House of Representatives Washington, D.C. 20515

Dear Chairman Walden and Ranking Member Pallone:

The Campaign for Sustainable Rx Pricing (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. Our members represent organizations including consumers, hospitals, physicians, nurses, pharmacists, employers, pharmacy benefit managers and insurance providers.

CSRxP is writing to urge you to not include the Re-Valuing Anti-Microbial Products (REVAMP) Act of 2018 as currently written in the Pandemic and All-Hazards Preparedness and Advancing Information Act (PAHPA) of 2018. While the REVAMP Act seeks to help address the important issue of antibiotic drug development, we are deeply concerned the incentives in the bill would extend monopoly protections for high-priced brand drugs and inappropriately delay patient access to the more affordable generic and biosimilar medications they need to get well and stay healthy.

The REVAMP Act offers transferrable market exclusivity vouchers and extends monopolies to drug manufacturers for the therapies of their choice when they create new, approved antibiotic drugs. Drug companies already benefit from market monopolies by setting high list prices for drugs and raising them at excessively high rates. Extending monopolies for brand drugs delays market entry of more affordable generic competitors and drives profits for brand drug manufacturers by allowing them to maintain higher drug prices for even longer periods of time. At a time when prescription drugs are becoming more – not less – unaffordable, CSRxP strongly believes that we should not exacerbate this problem by extending and strengthening market monopolies for brand drugs. Such an outcome hurts consumers and taxpayers alike. If there is evidence that pharmaceutical companies need incentives to bring antibiotics to market, CSRxP encourages the Committee to consider other incentives that do not further

increase the profitability of drug manufacturers by bolstering or prolonging the monopolies for their already high-priced products.

Again, we urge you to not include the REVAMP Act, as currently written, in the PAHPA Act. While bringing more antibiotics to market is important, making drugs more unaffordable for patients is not the right policy solution to achieve this goal. CSRxP looks forward to our continued work with the Committee to adopt and implement bipartisan, market-based policies that will slow the unsustainable growth in prescription drug costs without imperiling the discovery of innovative breakthrough therapies that can improve the health and well-being of patients.

Sincerely,

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Lauren Aronson Executive Director Campaign for Sustainable Rx Pricing