

- Chairwoman Eshoo, Ranking Member Burgess, distinguished members of the committee: I appreciate the opportunity to testify about the FLAT Prices Act, H.R. 1188, a bill that I am proud to lead to address the issue of rapid increases in prescription drug prices.
- I am honored to have the support of Mr. Casten, Ms. Slotkin, Mr. Cisneros, Mr. Rose, Ms. Pingree, and Ms. Finkenauer on this bill, and I am glad to be working in partnership with Senator Durbin, who leads a companion bill in the Senate.
- As I travel around Maine's Second District, one issue I hear about constantly is the rising price of prescription

drugs. For too long, big pharma has spiked prices to make a quick buck on the backs of those who cannot survive without these treatments.

- We all remember the “Pharma Bro” Martin Shkreli (Skrell-ee), whose company Turing Pharmaceuticals raised the price of the HIV/AIDS drug Daraprim from \$13.50 per pill to \$750 per pill - a 5,000% price increase.
- Similarly, Mylan, a company that has exclusive rights to distribute the lifesaving allergy medication auto-injector “EpiPen”, raised the price from \$50 to over \$600.

- Additionally, insulin prices have consistently increased in recent years, with the average price nearly doubling between 2012 and 2016.
- This issue isn't just about a few well known bad actors. According to AARP, retail prices for more than 250 widely used brand name prescription drugs increased by an average of more than 10% each year from 2012 to 2016.
- These price increases have forced some families to make the excruciating decision between buying life saving medications and putting food on the table, or paying rent.

- I introduced the FLAT Prices Act with this data--and these real-world impacts--in mind. The bill would help put a stop to immoral price gouging by helping generic competition come to the market faster. The FLAT Prices Act would reduce a drug's market exclusivity period if its price spikes by more than 10% in one year, 18% over two years, or 25% over a three-year period.
- The penalty for exceeding these thresholds would be a reduction of 180 days for the drug's exclusive monopoly period, and the period would shorten by an additional 30 days for each 5% price increase above these thresholds.
- With this bill in place, pharmaceutical companies would be discouraged from steeply hiking their prices,

and if they did so anyway, consumers would have less time to wait before generic alternatives would become available to them.

- I applaud this subcommittee for its recent action to advance a number of bills related to drug pricing, and I hope that you will consider including the FLAT Prices Act, which has been referred to this subcommittee, in a future set of bills to control health care costs.
- Thank you again for the opportunity to testify today.