

CMR Opener Drug Supply Hearing

INTRO:

Good morning.

Our goal today is to examine the complex challenges and root causes that lead to drug shortages.

Just last November in Spokane, parents were shocked that amoxicillin—a common antibiotic—wasn't readily available at pharmacies.

Parents had to contact multiple pharmacies or talk to the doctor to get alternatives, which is no small effort when your child is sick.

IMPORTANCE OF SUPPLY CHAIN:

Our committee has exposed the harmful consequences of consolidation, federal programs, and malincentives that distort the market and make it more difficult for patients to get lower cost medication.

Sometimes it's because those medications are not on pharmacy... or hospital shelves...

...or because they are not covered by insurance.

These market distortions hinder the adoption of quality generic drugs and weaken the drug supply chain.

The FDA has not been an effective partner in combatting drug shortages.

Even after Congress provided FDA new authority in 2020 to get more information regarding where American prescription drugs are made, we still do not have good data on where either finished medicines or Active Pharmaceutical Ingredients or "APIs" are sourced.

FDA last testified that around 80 percent of API facilities and 60 percent of finished dosage facilities are overseas, including India and adversarial countries, like China.

These are countries who limit our foreign drug inspection program's ability to operate adequately.

It's an enormous problem if we cannot properly inspect the quality of ingredients in common drugs Americans rely on.

This situation not only raises concerns over drug quality, but also poses a significant threat to our national security.

If adversarial countries were to cut off the supply of necessary APIs to manufacturers, American patients lives could hang in the balance.

Further, the COVID-19 pandemic taught us that we cannot rely on the Chinese Communist Party, which blocked the export of PPE and other critical supplies, lied about positive case numbers, and has refused to cooperate into any meaningful investigation into the origins of COVID-19.

NEED FOR INNOVATION:

As we strive to strengthen our supply chain, we must encourage American innovation... increase domestic manufacturing capabilities... and promote the adoption of quality generic drugs. And we need a system that acknowledges and rewards such innovation.

In 2019, HHS programs accounted for 41 percent of all prescription drug spending.

Yet those programs may have unintended consequences leading to unsustainably low prices or incentivizing middlemen to get the best deal at the expense of a secure supply chain.

We should look at all federal programs this committee oversees to help create a more secure and reliable drug supply chain for our nation.

We have gathered a diverse group of witnesses with expertise into the pharmaceutical drug supply chain...

... to help us start to dig into these complex programs and challenges and what potential solutions there are, whether in American manufacturing or in trying to innovate around middlemen in the system.

We'll also hear from Laura Bray on why this work to stop shortages is so important.

Laura has heard many times what no parent wants to hear.. that there was a shortage of the medicine needed to treat her daughter's cancer.

As I close, I want to note that I am encouraged by the bipartisan nature of this hearing. This is a critical issue that transcends political party lines, and I am confident that by working together, we can help ensure more people like Laura's daughter get the lifesaving care and medicines they need when they need it.

Thank you.