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May 21, 2019

The Honorable Frank Pallone, Jr.  
Chairman  
Committee on Energy and Commerce  
United States House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Greg Walden  
Ranking Member  
Committee on Energy and Commerce  
United States House of Representatives  
2322 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Anna Eshoo  
Chairwoman  
Subcommittee on Health  
Committee on Energy and Commerce  
United States House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Michael C. Burgess  
Ranking Member  
Subcommittee on Health  
Committee on Energy and Commerce  
United States House of Representatives  
2322 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Pallone, Ranking Member Walden, Chairwoman Eshoo, and Ranking Member Burgess:

On behalf of its nearly 38 million members and all older Americans, appreciates your focus on prescription drug prices and the challenges that high drug costs pose for seniors. Thank you for holding today's hearing on improving drug price transparency and for focusing on five bills that AARP has endorsed: H.R. 2296, the Fair Accountability and Innovative Research (FAIR) Drug Pricing Act; H.R. 2069, Stopping the Pharmaceutical Industry from Keeping Drugs Expensive (SPIKE) Act; H.R. 2087, the Drug Price Transparency Act; H.R. 2115, the Public Disclosure of Drug Discounts Act; and H.R. 2064, the Sunshine for Samples Act.

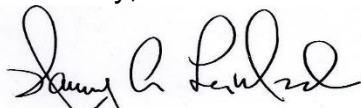
Older adults cannot afford to pay higher and higher prices for the medications they need. The annual median income of Medicare beneficiaries is just over \$26,000, and, on average Medicare Part D enrollees take as many as five prescriptions per month often for chronic conditions. When older Americans talk about the impact of high prescription drug prices, they are often talking about costs that they will face every year for the rest of their lives.

AARP strongly supports requiring drug manufacturers to justify price increases that make it difficult for older Americans to afford critical prescription medications. That is why we have endorsed these important bills. Both the FAIR Drug Pricing Act and the SPIKE ACT would require drug manufacturers to report and justify drastic price increases. This kind of price transparency is an important step toward holding drug companies accountable for pricing decisions. Americans are paying the highest prescription drugs prices in the world. Patients, providers, and policymakers deserve to know why the price of the drugs continue to increase - which could make it even more difficult for older Americans to afford the medications they need.

In addition, H.R. 2087 would require all drug manufacturers to provide timely reporting on the average sales prices (ASP) for their drugs, which will help to ensure that Part B reimbursement for those drugs is accurate. H.R. 2064 would require companies that manufacture drugs, devices, biologics, or medical supplies to report the aggregated value and quantity of drug samples they give to health care providers each year. While free samples can help patients to obtain the prescription drugs they need – particularly when those drugs are unaffordable – there are also reasonable questions about the impact that free samples have on prescribing behaviors. In addition, drug manufacturers are able to obtain large tax breaks by providing free samples. Finally, H.R. 2215 would require Pharmacy Benefit Managers (PBMs) to report the aggregated rebates and discounts on each class of drug that they receive, which will help the public to better understand the current rebate system.

We look forward to working with the Committee to enact these bills as well as other measures that will help lower prescription drug prices and reduce costs for older Americans. If you have any additional questions, feel free to contact me or have your staff contact Amy Kelbick on our Government Affairs staff at [akelbick@aarpp.org](mailto:akelbick@aarpp.org) or 202-434-2648.

Sincerely,



Nancy A. LeaMond  
Executive Vice President and  
Chief Advocacy and Engagement Officer