

**Lead Republican Michael C. Burgess, M.D.**  
**Energy and Commerce Committee**  
**Subcommittee on Health**  
**Improving Drug Pricing Transparency and Lowering Prices for**  
**American Consumers**  
**May 21, 2019**  
*As Prepared for Delivery*

Thank you, Madam Chair. We have convened this morning once again to address an issue that affects and complicates the lives of many of our constituents – drug pricing. When I return home to North Texas and conduct meetings in my district office, I frequently hear the personal stories of individuals and families who are struggling to afford their medications.

Unfortunately, solving this problem is not as straightforward as we all would hope. As exemplified by our recent drug supply chain hearing, there are various stakeholders interwoven throughout the supply chain, making up the existing convoluted system. Our counterparts on the Ways and Means Committee have taken a first pass at addressing transparency in H.R. 2113, the STAR Act.

On its face, transparency sounds like a useful and good thing. In other markets in the United States, individuals can shop around for goods and seek the best price or value. In health care, that is more easily said than done because of the intricate nature of the system, especially the drug supply chain. It is especially important that as we evaluate this legislation we consider the unintended consequences for both the patient and the market.

This Committee laid the groundwork in 21<sup>st</sup> Century Cures for the development of treatments and cures that Americans have, until now, only dreamed were possible. Nearly two and a half years after Cures was signed into law, I am receiving countless meeting requests from stakeholders who bring good news about how this law is producing real results for patients. We must strike a delicate balance with the policies we pass through this Committee to ensure they do not put a damper on this success or deter investment in biomedical research and innovation.

I do have some thoughts about Section 2 of H.R. 2113, which requires a notification and public posting of companies that launch a drug at a price of \$26,000 or more. There are one-shot therapies that can cure individuals of rare diseases, and the cost of research and development that goes into these treatments is immense. We must consider the potential impact that this requirement could have on the industry. The incentives for drug development in this space are working and scaring companies away from investing in such drugs does not serve patients who might benefit from this innovation. I am pleased that Ms. Schakowsky's FAIR Act does not include this launch price trigger.

I would also like to take a minute to express some concerns about Section 3 of the H.R. 2113. This policy would require manufacturers of drugs, devices, biologics, and medical supplies to report on the samples they give to health care providers each year, and this information

would be publicly posted. I fear that this policy too could lead to a sort of public shaming of companies that are trying to benefit patients.

Should such a policy deter manufacturers from providing samples to physicians, patients will be harmed.

As a physician, I can say that I have seen the benefit of samples for patients first-hand. Sometimes a patient's insurer requires a burdensome prior authorization process that delays a patient's access to medication. A sample of the medication allows the patient to receive more timely treatment. Additionally, physicians may use samples in clinical decision making. For example, if a new drug has come to market that may work better for a patient, a physician can use a sample to establish whether or not the patient responds better to the new drug without subjecting the patient to whatever the financial burden of the drug may be.

Again, I appreciate the bipartisan work that the Ways and Means Committee has done, but I do believe that there are some areas of this policy that we need to think through thoroughly. Thank you to our witnesses for offering their thoughts on this legislation, and I look forward to working on this in a bipartisan manner.