

CONGRESSWOMAN JAN SCHAKOWSKY
OPENING STATEMENT
Energy and Commerce
Subcommittee on Health

“Improving Drug Pricing Transparency and Lowering Prices for American Consumers”
May 21, 2019

And thank you to both the Chairman and Subcommittee Chair for allowing me to waive on to this hearing on a topic that is deeply important to me.

PhRMA is opposed to any legislation that would require pharmaceutical manufacturers to provide basic transparency to the American people. The pharmaceutical industry is worth almost ONE TRILLION dollars and they are holding American consumers hostage.

Our constituents are suffering, and some are dying. We have their names. Because they can't afford the life-saving, life enhancing drugs they need. Why have drug prices skyrocketed? Sometimes by 1000 percent? That's a really good question. And because drug companies hide their pricing policies, consumers have no choice but to pay the price.

Until now.

My legislation, *the FAIR Drug Pricing Act*, H.R. 2296, is a bipartisan, bicameral bill that will force the drug companies to be transparent—which is the least we can expect from them.

The bill does two things.

Pharmaceutical manufacturers must notify HHS and submit a transparency and justification report 30 days before they increase the price of certain drugs by more than 10 percent—or by more than 25 percent over three years.

The report will require manufacturers to provide:

- the manufacturing, research and development costs for the drug;
- net profits attributable to the drug;
- marketing and advertising spending on the drug;
- and other information that the Secretary decides is necessary.

Unlike H.R. 2069, *the SPIKE Act*, which is also being considered today, my bill does not allow manufacturers to pick and choose what information they would like to disclose.

And unlike *the SPIKE Act*, my bill requires HHS to make ALL of the non-proprietary information from these reports publicly available online for anyone to access.

For the first time ever, this bill will offer taxpayers nationwide notice of price increases and bring basic transparency to the market for prescription drugs.

The bills being considered today are only a start, and transparency is only one piece of the puzzle in bringing down the cost of prescription drugs. These bills are all bipartisan, and I am proud that Representative Rooney joined me to reintroduce my bill this Congress.

Senator Baldwin reintroduced the *FAIR Drug Pricing Act* in the Senate earlier this month and was also joined by Senator Braun. The American people are crying out. Prescription drug prices are literally killing them.

We must act, and we are being given the opportunity to do so right now. When the *FAIR Drug Pricing Act* passes, PhRMA will finally have to answer to the American people.

I believe that we have a responsibility to protect and serve the best interests of the American people. Not the interests of extraordinarily wealthy pharma executives and Wall Street investors.