

Congresswoman Cathy McMorris Rodgers
Health Subcommittee Hearing 9.14.23
Opening Statement
As Prepared for Delivery

INTRO

Good morning.

We all have stories about constituents struggling to get the medication they need as a result of drug shortages.

I toured Providence Sacred Heart Medical Center in Spokane over August and heard firsthand how shortages are resulting in difficult decisions to conserve and prioritize supply, re-evaluate treatment plans for some patients, and identify alternative therapeutics when possible.

The task before of us today is to examine the drug supply chain and try to better understand the root causes of drug shortages so our health care providers—and the patients that rely on them—are not having to change recommended treatments due to lack of supply.

I appreciate the witnesses from across the drug supply chain being here today to help us better understand the problem and provide feedback on the proposed solutions and any new ideas the committee should consider.

PROCESS

Over the last year, Energy and Commerce has committed itself to examining drug shortages that hit a 10-year high earlier this year.

May 11th of this year, the Oversight and Investigations Subcommittee held a hearing where a panel of expert witnesses testified to the underlying market failures that have made it harder for patients and health care providers to get essential medicines.

In June of this year, I issued a Request for Information alongside Senator Crapo to additional stakeholders regarding drug shortages. The robust comments we received highlighted the complex challenges facing low-cost generic drugs, which make up more than 90 percent of the drugs dispensed in this country.

Stakeholders submitted comments regarding the consequences of consolidation in the drug supply chain, and how below-market, federal reimbursements for such drugs can make a difficult market even worse, leading to a lack of investment in manufacturing and supply chains.

Less than a month later, I released a discussion draft to try to put specific solutions forward to address those broad concerns.

PROPOSALS

Our goal today is to pursue multifaceted and long-term solutions that address the root causes of shortages. Again, we are hearing from people across the supply chain today to examine this issue.

According to FDA Commissioner Califf, quote:

“The economics of this are not favorable for fixing the problem the way it is currently working.”

[pause]

This committee has a chance to improve the economics for these drugs – potentially facilitating more on-shoring and making sure patients have access to drugs they need.

The challenge is how to appropriately target the incentives and relief from existing government price controls, and I hope there will be a robust discussion of how to best to do that.

The discussion draft focuses primarily on generic, sterile, injectable drugs for a serious disease or condition and getting those drugs out from under mandatory 340B rebates and inflation penalties.

We require CMS to launch a model that tests market-based pricing policies for these drugs in Medicare as well.

The discussion draft also looks into how we can bring transparency to current contracting practices, through new 340B guidance and disclosure reporting for group purchasing organizations.

FDA plays a role, as provisions in the discussion draft and other bills noticed today indicate.

However, I do not believe FDA authorities would solve these issues, and in some cases, I think FDA may play a role in worsening a shortage through unclear communication.

I am also concerned FDA may not look domestically for production before turning outside the U.S. during a drug shortage.

Conclusion

I look forward to a robust, constructive dialogue about the policies noticed today and any potential unintended consequences, any

additional ideas, and am hopeful we can work together in this committee to come together on a number of discrete proposals to tackle and turn the tide against these drug shortages.

It is clear that each shortage is unique and that there is not one solution that will address all issues.