

**Opening Statement of Republican Leader  
Cathy McMorris Rodgers  
Subcommittee on Consumer Protection and Commerce  
Profits Over Consumers: Exposing How Pharmaceutical Companies Game  
the System  
September 19, 2019**

*As Prepared for Delivery*

Good morning and welcome to the Consumer Protection and Commerce Subcommittee where today we focus on a healthcare competition issue: product hopping.

Patients should always be put ahead of corporate profits, so we need to make sure certain companies are not gaming the system to increase profits at the cost of patients.

Patients should also be put ahead of government actions that limit access to their life-saving treatments.

Product hopping occurs when a drug company attempts to switch patients from their older version of a drug to a newer version.

Sometimes they withdraw the old drug and replace it with a new, modified drug, or they keep the old drug on the market and shift the market towards the new drug with a new marketing strategy.

The concern here is when bad actors use this tactic to game the system and limit consumer choices with unaffordable costs.

We should be focused on addressing those instances without harming innovation—so bad actors who are intentionally acting to monopolize the market and limit patient choice are held accountable.

But not all product withdrawals or modifications are anti-competitive.

Bringing improved drugs to the market to compete with older products is exactly what we want.

It gives patients access to more medications and treatments, and often times a safer and more effective way to heal.

For instance, there's a treatment for a degenerative muscular disease that required delivery through a needle into the eye.

The company later developed a method for the arm.

I don't know anyone who would prefer a shot in their eye.

Yet — under some current proposals — bringing the safer and preferred delivery could be labeled anti-competitive.

If a shot in the arm sounds better to you, too bad.

Government regulations say “no.”

That's not how it should be.

Increasing access to affordable treatments and prescription drugs usually is a bipartisan issue.

Energy and Commerce unanimously passed several bills this year tackling drug pricing only to have them packaged into a partisan messaging bill on the floor.

Fortunately, the Trump Administration has led on this front and is breaking records for the amount of generic drug approvals at the FDA.

This year, for the first time in a long time, prescription drug prices have decreased overall.

To build on this progress, Energy and Commerce, through the Health subcommittee, should be encouraging our medical companies to invest in R&D that will save lives.

Product hopping fixes that are broad or ambiguous will discourage this.

We must be precise.

If we aren't, the government will hinder innovation, America will fall behind world-wide, and patients will be waiting for the cures they need.

Nearly two-thirds of new drug approvals are for incremental innovations.

They should be welcomed and protected, not demonized.

On average each new drug saves more than 11,000 lives each year.

If we stop innovating, we risk dire consequences.

Improvements from each new drug can also eliminate almost \$20 billion in lost wages by preventing lost work due to illness.

Plus, for every incremental dollar spent on new drugs, total medical spending decreases by more than seven dollars.

Americans benefit from innovation and our health care system saves money because of it.

Again, the U.S. has led the world in medical innovation, developing more life-saving treatments and cures than any other nation.

Our Committee has a history of bipartisan cooperation in building America as the global leader and no one here wants to reverse progress we've made because of the 21st Century Cures Act.

Any proposal—hopefully considered under regular order in our Health subcommittee — must encourage this innovation and go after clearly anticompetitive practices.

Thank you and I yield back.