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April 30, 2019

The Honorable Jerrold Nadler
Chairman
Committee on the Judiciary
United States House of Representatives
2138 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Doug Collins
Ranking Member
Committee on the Judiciary
United States House of Representatives
2142 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Nadler and Ranking Member Collins:

AARP, on behalf of its nearly 38 million members and all older Americans nationwide, appreciates the Committee's focus on legislative solutions to help combat skyrocketing prescription drug prices. As a first step, we strongly support H.R. 965, the Creating and Restoring Equal Access to Equivalent Samples (CREATES) Act, and H.R. 2375, the Preserve Access to Affordable Generics and Biosimilars Act. Both bills will help eliminate loopholes that prevent lower-priced generic medications from entering the market.

Older adults are particularly vulnerable to high prescription drug prices. Medicare Part D enrollees take an average of 4-5 prescriptions per month, and over two-thirds have two or more concurrent chronic illnesses. 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. The annual median income of Medicare beneficiaries is just over \$26,000. One-quarter have less than \$15,000 in savings. This population simply cannot afford to keep paying higher and higher prices for the medications they need.

The CREATES Act and the Preserve Access to Affordable Generics and Biosimilars Act will both remove barriers that have prevented lower cost generic medications from entering the market.

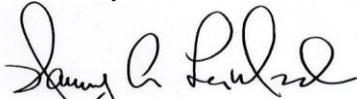
The CREATES Act targets anticompetitive behavior that brand name drug companies have used to stifle generic and biosimilar drug entry. Today, drug companies can refuse to provide generic manufacturers with access to product samples that are needed to gain FDA approval, and prevent generic and biosimilar manufacturers from joining a

distribution protocol applicable to both brand and generic versions of a medicine, or “shared REMS.” The CREATES Act would provide generic drug manufacturers with a recourse to address these abusive practices which will help bring more lower-priced generic and biosimilar drugs to market.

The Preserve Access to Affordable Generics and Biosimilars Act would ban the use of pay-for-delay agreements that provide financial benefits to drug manufacturers at the expense of consumers: under these agreements, the brand-name drug manufacturer can continue to charge monopoly prices, and the generic drug company is compensated for its inaction. The Federal Trade Commission (FTC) estimates that pay-for-delay agreements cost American consumers and taxpayers \$3.5 billion per year. Generic prescription drugs play an essential role in efforts to reduce health care spending, and AARP believes that additional savings can be found by eliminating pay-for-delay agreements.

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@aarp.org or 202-434-2648.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy A. Leamond". The signature is fluid and cursive, with the first name "Nancy" and last name "Leamond" clearly visible.

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