

STATEMENT FOR THE RECORD
SUBMITTED TO THE
HOUSE COMMITTEE ON OVERSIGHT AND REFORM

On

“Examining the Actions of Drug Companies in Raising Prescription Drug Prices”

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AMSA is the oldest and largest independent association of physicians-in-training in the United States. Founded in 1950, AMSA is a student-governed, non-profit organization representing over 30,000 medical trainees. Our organization is committed to representing physicians-in-training, advocating for quality and affordable health care for all, and building the next generation of physician leaders.

The rising cost of prescription drugs is a critical issue as exorbitant drug prices have deleterious effects on our patients and the health systems that we work in as physicians-in-training. During the House Oversight Committee hearing, we heard from Ms. Antroinette Worsham about the tragic story of how she lost her 16-year old daughter because they could not afford the medication necessary to control her diabetes. Ms. Worsham's story is not an uncommon one; currently, one-in-five Americans report not taking their medication as prescribed because of cost,¹ while many others face financial hardship and are forced to reduce spending on other necessities, like groceries, because of high drug prices.² Ms. Worsham has two other daughters, both of whom are also living with diabetes. They live with the constant stress of wondering if they can afford their next dose of insulin. High prescription costs not only can prevent our patients from accessing their prescriptions, but it also limits the types of treatments that we can recommend as future medical providers. For patients that cannot afford their medications, we may have to substitute the often more expensive, first-line therapy with older, cheaper medicines that oftentimes have many side effects and may not have the same efficacy. High drug cost is not just a financial barrier, it changes how we practice medicine. The medical community needs a system that puts our patients' needs first. We need policies in place that protect people like Ms. Worsham and not corporate interests.

AMSA is encouraged by the Committee demonstrating that it takes the problem of high prescription drug prices seriously, but this hearing must be followed by passing bold, meaningful policies that will make prescriptions affordable for our patients.

Numerous pieces of legislation were introduced in the 115th Congress and some already in the 116th Congress that would increase access to medicines and collectively provide tens of billions of dollars in savings annually. Specifically,

- The Medicare Negotiation and Competitive Licensing Act (H.R. 6505, 115th Congress) would lower prices for prescription drugs for Medicare Part D beneficiaries and taxpayers by requiring the U.S. government to negotiate directly with pharmaceutical manufacturers. Through competitive licensing, the Act safeguards patients' access to medicines, even when negotiations fail to reach a reasonable price.

- The Stop Price Gouging Act (H.R. 2974, 115th Congress), would put an end to steep, unfair prescription drug price spikes by imposing penalties on corporations that price gouge proportionate to the severity of the abuse. Researchers estimated that this bill would have saved \$26 billion in taxpayer dollars through Medicare Part D alone in 2015.³
- The Prescription Drug Price Relief Act (H.R. 465) help put an end to patients rationing treatment and suffering financial hardship because of exorbitant drug prices. It would ensure that U.S. drug prices are not higher than those paid in other large, wealthy economies and enable the government to license competition when pharmaceutical corporations set excessive prices on the medicines that people need.
- The CREATES Act (H.R. 2212, 115th Congress) would help put an end to brand-name pharmaceutical companies engaging in anticompetitive tactics of denying generics/biosimilars manufacturers access to the product samples they need to obtain FDA approval and market entry. This practice delays the introduction of price-lowering generic and biosimilar competition, and allows the brand-name manufacturers inappropriately extend their monopolies.

High prescription drug prices will continue to be a priority for the medical community and the patients we serve. It is crucial for legislators to advance meaningful policies that will make medications affordable for all Americans.

[1] The Commonwealth Fund, How the Affordable Care Act has Improved Americans' Ability to Buy Health Insurance on Their Own (2016), https://www.commonwealthfund.org/publications/issue-briefs/2017/feb/how-affordable-care-act-has-improved-americans-ability-buy?redirect_source=/publications/issue-briefs/2017/feb/how-the-aca-has-improved-ability-to-buy-insurance.

[2] Lisa Gill, Consumer Reports, *How to Pay Less for Your Meds*. <https://www.consumerreports.org/drug-prices/how-to-pay-less-for-your-meds/>

[3] Thomas Hwang and Aaron Kesselheim, *Taxing Drug Price Spikes: Assessing the Potential Impact*, Health Affairs Blog, May 12, 2017, <https://www.healthaffairs.org/doi/10.1377/hblog20170512.060041/full/>.