

STATEMENT ON PRESCRIPTION DRUG PRICES

Mr. President, it is no secret that the pharmaceutical industry has become a major health hazard to the American people.

Pharmaceutical companies are charging the American people -- by far -- the highest prices in the world for prescription drugs. The result is that 1 out of 5 Americans -- including patients suffering from cancer -- are unable to purchase the drugs prescribed to them by their doctors. This is totally insane. It results in Americans becoming much sicker than they should, and in some cases dying. It results in greater costs to our healthcare system because there are people who will end up in the hospital or end up in emergency rooms when that could have been avoided if they could have afforded to buy the medicine they needed.

As Dr. Marcia Angell, a senior lecturer in social medicine at Harvard Medical School and a former editor of the *New England Journal of Medicine* recently wrote in the *Washington Post*: “Why do drug companies charge so much? Because they can.”

And, the reason for this, Mr. President, is quite clear. The United States is the only major country on earth that does not, in one form or another, regulate prescription drug prices -- and the results have been an unmitigated disaster.

Let me give you some examples:

In the United States, Daraprim, a prescription drug used to treat patients diagnosed with cancer and AIDS, shot up in price from \$18 a pill to \$750 literally overnight after this drug was acquired by a former hedge fund manager by the name of Martin Shkreli – who is quickly becoming the poster child of greed.

Mr. President, this same exact drug sells for just 66 cents a pill in Britain and even less in India, according to Dr. Angell.

Mr. President, it makes no sense to me, that the same exact prescription drug can be sold in Britain for 66 cents a pill, while in the United States it is being sold for \$750.

So last week, Congressman Elijah Cummings and I sent a letter to Mr. Shkreli asking him to explain why the price of this drug has skyrocketed by over 4,000 percent.

The good news is that Mr. Shkreli recently said that he would lower the price of this life-saving drug, although he has not indicated when he will do this or by how much.

But, let's be clear. This is just one of many examples of price gouging within the pharmaceutical industry.

Let me give you another:

In the United States, the prescription drug Sovaldi, which is used to treat Hepatitis C, costs \$1,000 a pill. In Europe, it costs \$555 a pill; and in Egypt and India this same drug costs just \$11 a pill.

Now, Mr. President, the cost of this drug has become so expensive that Medicaid and the Department of Veterans Affairs are rationing access to Sovaldi and other blockbuster Hepatitis C drugs to only the sickest patients. In other words, people in the United States of America are dying because they or the government program on which they are on cannot afford the outrageous prices that this company is charging.

Let me give you one example. According to a recent article in the Atlantic, despite rationing Sovaldi, the State of New Mexico will spend an estimated \$140 million this year on that drug. This issue, Mr. President, first came to my attention as the former Chairman of the Senate Committee on Veterans' Affairs, when the Department of Veterans Affairs requested an additional \$1.3 billion for that particular drug.

That is unacceptable and that has got to change.

More examples:

1. Enbrel (Autoimmune diseases)

Average price in America: \$2,225

Average price in Canada: \$1,646

Average price in Switzerland: \$1,017

2. Gleevec (Certain cancers, including some types of leukemia)

Average price in America: \$6,214

Average price in Switzerland: \$3,633

Average price in New Zealand: \$989

3. Humira (Rheumatoid arthritis)

Average price in America: \$2,246

Average price in Canada: \$1,950

Average price in Switzerland: \$881

4. Copaxone (Multiple sclerosis)

Average price in America: \$3,903

Average price in Switzerland: \$1,357

Average price in England: \$862

5. Gilenya (Multiple sclerosis)

Average price in America: \$5,473

Average price in Canada: \$2,541

Average price in Spain: \$2,287

6. Celebrex (pain)

Average price in America: \$225

Average price in Spain: \$164

Average price in Canada: \$51

7. Cymbalta (depression, anxiety, and fibromyalgia)

Average price in America: \$194

Average price in Canada: \$110

Average price in England: \$46

8. Nexium (acid reflux)

Average price in America: \$215

Average price in Switzerland: \$60

Average price in Netherlands: \$23

Mr. President, we clearly need a new approach to prescription drugs in this country. We need leadership which is prepared to stand up to the pharmaceutical industry and tell them loudly and clearly that they will no longer be able to rip off the American people and state governments and the federal government.

Mr. President, last year, the pharmaceutical industry spent \$250 million on lobbying and campaign contributions and employed some 1,400 lobbyists.

In the richest country in the history of the world, Americans should not have to live in fear that they will die because they cannot afford to take the life-saving medication they need.

The American people should not have to go without the medication they need because Congress does not have the courage to stand up to the prescription drug industry.

The time has come to say very loudly and very clearly that enough is enough. The greed of the pharmaceutical industry is killing Americans. It has got to stop.

It is unacceptable that the top three pharmaceutical companies made a combined \$45 billion in profits last year and spent more on sales and marketing than they did on research and development.

It is unacceptable that total spending on medicine in the United States has gone up by more than 90 percent since 2002.

It is unacceptable that the monthly cost of cancer drugs has more than doubled over the last ten years to \$9,900. In the United States of

America, you should not be forced into bankruptcy for being diagnosed with cancer.

Instead of listening to the demands of the pharmaceutical industry and their 1,400 lobbyists – an industry which spent over \$250 million last year on campaign contributions and lobbying expenses -- it is about time that Congress started listening to the 72 percent of the American people who believe that the cost of medication is too expensive.

It is time for the United States to join the rest of the industrialized world by implementing prescription drug policies that work for everybody, not just the CEOs of the pharmaceutical industry.

That is why I recently introduced legislation to lower drug costs - cosponsored by Senator Al Franken and introduced in the House by Congressman Elijah Cummings. Specifically:

1. This bill requires Medicare to use its bargaining power to negotiate with the prescription drug companies for better prices – a practice that was banned by the George W. Bush Administration several years ago. Not only would this substantially reduce the prices seniors pay for drugs, it could save Medicare over half a trillion dollars over the next decade.
2. This bill would allow individuals, pharmacists, and wholesalers to import prescription drugs from licensed Canadian pharmacies

where drug prices are 40 percent lower per person than they are in the U.S.

You're looking at the first Member of Congress who took a busload of seniors to Canada to purchase prescription drugs in 1999.

I will never forget the tears in the eyes of women who were able to buy the breast cancer drug tamoxifen at a tenth of the price that they were paying in the U.S.

I would ask all of my Democratic and Republican friends who tout the benefits of "free trade" to support this concept. If we can import lettuce and tomatoes from Mexico, there is absolutely no reason why we cannot import safe and affordable prescription drugs from Canada.

3. This bill would hold the pharmaceutical industry accountable when they defraud the American people. Today, nearly every major pharmaceutical company has been convicted of either civil or criminal fraud. And even though the Justice Department has won suits requiring them to pay billions in fines, the prescription drug companies simply treat these fines as the cost of doing business.

Our bill would say that if a drug company is convicted of fraud, they will lose their market exclusivity on the drugs they sell.

4. This bill would end "pay for delay" – a practice in which brand name prescription drug companies pay other companies not to manufacture cheaper generic drugs. The FTC has estimated that pay for delay is costing consumers and taxpayers about \$3.5 billion a year in higher drug prices. That is unacceptable.
5. This bill would demand more transparency from drug companies, who have been concealing the true cost of their research and development.

I am delighted that this legislation is being endorsed by the Alliance for Retired Americans, Social Security Works, the National Committee to Preserve Social Security and Medicare, Families USA, the National Center for Health Research, Public Citizen, and the AIDS Healthcare Foundation, representing the voices of tens of millions of Americans.

Let me just conclude my remarks by saying this. I know how hard it will be to pass this legislation. I know how hard it will be to defeat the prescription drug industry. In fact, to my knowledge the prescription drug industry has never lost a battle on Capitol Hill.

But at a time when a huge majority of the American people want us to take action, when 74 percent of Republicans and 93 percent of Democrats, want the federal government to negotiate with the drug companies to get lower prices, the time has come to say enough is enough. We cannot let the drug companies continue to rip-off Americans who are suffering any longer.