

Talking Points

Congress Must Put #PeopleOverPharma By Lowering Drug Price Now

No matter where people live, what they look like or what's in their wallets, at some point in their lives, everyone is going to get sick and need prescription medicine to feel better. Whether it's a sore throat, high blood pressure or an acute illness like cancer, everyone deserves affordable medicine to have the best chance at healthy lives.

But today, the drug corporations that control the production and flow of prescription medicines are failing families in the United States and around the world, putting their quality of life, economic security and health at risk in order to boost profits. These companies and their PhRMA lobbyists dramatically raise prices, forcing people to make stark choices between medicine and other basic necessities, to skip treatment, to go into debt for medicine or to watch loved ones suffer without the drugs they need to get better.

Big Pharma Is Gearing Up to Protect Drug Company Profits

Right now powerful Big Pharma lobbyists, along with Senator Mitch McConnell and other Pharma allies are gearing up to stop any legislative action that takes away drug companies unlimited power to price-gouge patients and inflate their profits. It's up to us to fight back! Last year, PhRMA, the drug companies lobby association broke a new record for lobbying expenditures, <u>spending \$27.5 million</u> to stop any reform that would lower profits.

PhRMA's latest target is the Democrats' new bill, H.R. 3, the Lower Drug Cost Now Act, that would finally require prescription drug companies to negotiate with government for lower prices on a range of drugs for people in Medicare and private insurance. The bill penalizes drug companies for gouging patients and stops them from charging patients in the United States many times more than what people in other countries pay for the same drug.

H.R. 3 will not fix every problem, but it is a big step in the right direction when it comes to reining in price-gouging and making medicine more affordable. Big Pharma wants to kill the bill so drug companies can continue to charge what they want rather than negotiating lower prices and treating patients fairly.

Key Points About H.R. 3

The new Democratic bill, H.R. 3, empowers the government to take on price gouging drug corporations by negotiating affordable drug prices for millions of consumers enrolled in Medicare and covered by private insurance.

Big Pharma will do all they can to stop any bill--including this one-- that might force them to lower prices. It's up to us to work with allies and to organize grassroots people impacted by high drug prices to stand up against Pharma and the politicians that support the industry over patients.

While others may seek to weaken this legislation, we should work to make it even stronger by increasing the number of drugs that can be negotiated each year and ensuring that Medicare can negotiate prices for all drugs and all payers. Drug companies should no longer be able to extract profits at the expense of people's health.

So much is at stake. The Democratic proposal stands in stark contrast to the broken promises and half measures we've seen from President Trump-- who has consistently promised to lower costs but done little to actually help patients and actually negotiated a new NAFTA deal that locks in higher drug prices. The proposal is also a striking contrast to Senate Leader McConnell, who has already branded the new bill "dead on arrival" on arrival in the Republican-controlled Senate despite claiming to care about high drug prices.

It is time to pass H.R. 3 and to advance bolder approaches that will do even more to take on the monopoly power that Pharma exploits to profit at the expense of patients.

Patients Need Bold Action, Not More Lip Service on Lowering Drug Prices for Everyone

Now the time has come for lawmakers to take bold action to lower drug prices that stops drug companies from price-gouging patients in order to inflate their profits.

Promises, half-measures or passing the buck on blame will not transform the system to make medicines affordable for everyone. That's why we're joining <u>Lower Drug Prices Now</u>, a coalition that is fighting for comprehensive reform <u>based on comprehensive principles</u> that hold drug companies accountable for lowering their prices, that create a government guarantee of access affordability for everyone and that ensure that our public investment in prescription drug research serves patients, not just drug company profits.

Tweaks, work-arounds, and half-measures aren't enough to address the growing crisis for millions of people who can't afford medicine: we need an overhaul that ends drug companies' monopoly power to set prices, un-rigs the system and puts in place instead fair rules for access and affordability so that everyone who needs prescriptions can get them.

It's Time for Lawmakers to Tell Patients Which Side They Are On

Every elected leader should stand with constituents for affordable prescriptions medicines for everyone by supporting our Lower Drug Prices Now principles. It's going to take all of us to stand up to Big Pharma and win bold reforms to change the system.. After all, cutting edge cures and new live-saving medicines only help patients when they can afford to get them.

KEY RESOURCES, STATISTICS AND RESOURCES

- A 2018 study showed that between 2012 and 2017, the cost of prescription drugs in Medicare increased nearly 10 times the rate of inflation.
- A <u>new AARP analysis</u> (2019) shows that for the 12th year in a row, the price of prescription drugs most commonly used by older Americans increased faster than inflation--a lot faster. I
- Americans spend more on prescription drugs than any comparable nation, <u>paying double today</u> what they paid in the 1990s. The cost of insulin for Type 1 diabetics <u>doubled in just five years</u>, leaving millions of Americans no choice but to ration their medicine, skip doses, go into debt or risk their lives by going without.
- Annual spending on prescription drugs now exceeds \$450 billion and is rapidly becoming the
 <u>biggest expenditure</u> in the healthcare system, impacting everyone. We all pay for prescription
 drug price-gouging as our insurance premiums rise, more and more tax dollars are needed to
 fund Medicare and Medicaid and public investment in research and development are handed
 over to drug companies with little accountability.
- Between 2006 and 2015, 67% of drug companies <u>increased their annual profit margins</u> some up to 20 percent--while patients struggled with double digit increases in price.
- These same companies were then rewarded in 2017 when President Trump signed a new tax law that will give prescription drug companies \$25 billion in tax breaks over the next 10 years. Eli Lilly, for example, the nation's largest insulin manufacturer, paid \$0 in taxes in 2018 while making \$598 million in income.
- PhRMA, the drug industry lobby group, has continued to increase their spending to prevent any meaningful reforms that could lower drug prices and stymie those inflated profits. Last year alone, PhRMA broke its annual record, spending about \$27.5 million to protect drug company profits in addition to the \$193.4 million that the individual drug corporations spent on their own.
- PhRMA has mounted an ad campaign to oppose H.R. 3, the Democrats' bill to require drug companies to negotiate with Medicare. Although 86% of the public supports government negotiations for lower prices in Medicare, Senate Majority Leader Mitch McConnell declared the day after the legislation was introduced that the Senate would not take it up despite months of lip service about the need to address the issue of high drug prices.
- President Trump, who has professed to support negotiations in the past and promised to lower drug costs for seniors, has so far taken little meaningful action to make medicines affordable. In fact, the NAFTA 2.0 deal he negotiated includes a sweetheart deal for the drug companies that would lock in <u>high drug prices</u> by extending monopolies.
- The Trump Administration also supports the pending lawsuit against the Affordable Care Act (ACA), Texas v. United States, which seeks to overturn the law and leave 19 million people without coverage. Losing the ACA means that 130 million people would be left without pre-existing condition protections and that the essential health benefits rules that require insurance companies to pay for prescriptions and put a limit on out of pocket costs would be gone. Moreover, without the ACA, the Medicare Part D "donut hole" coverage gap would re-open, leaving millions of seniors with much higher prescription medicines costs. Overturning the ACA leaves millions of Americans at the mercy of Big Pharma, yet President Trump has time

action.			