

Senator Susan M. Collins
Drug Pricing Floor Statement
March 11, 2020

First, I want to express my appreciation to the Chairman of the Finance Committee, Senator Grassley, not only for his leadership, but also for his persistence on an issue that affects so many Americans, and that is the soaring price of prescription drugs. Mr. President, three committees—the Finance Committee, the HELP Committee, and the Judiciary Committee—have all advanced bipartisan legislation to reform our broken drug pricing system. The Aging Committee, which I chair, has held eight drug pricing hearings, highlighting the burden of soaring prices and the manipulation of the market by individuals like the infamous Martin Shkreli. It is now past time for us to move forward to the Senate floor to debate these bills that have bipartisan support and that have garnered the approval of three major committees.

The Finance bill, which Senator Grassley has crafted with Senator Wyden and others—which I am proud to be a co-sponsor of—makes crucial improvements to Medicare Part D, such as protecting seniors with an out-of-pocket spending cap as well as including cost control measures such as an inflationary cap to limit pharmaceutical price hikes. Mr. President, at one of the hearings that the Aging Committee held, we heard testimony that was heartbreaking from a former teacher with multiple myeloma who had to refinance her home in order to cover the cost of her \$250,000 cancer medication. We heard example after example. I will never forget standing in the pharmacy line in Bangor, Maine, where I live, and ahead of me was a couple who had just been told that their co-pay was \$111, and the husband turned to his wife and said, ‘honey, we just can’t afford that.’ And they walked away—away from the medication that one of them needed. I asked the pharmacist how often does this happen. And he told me that it happens every day. We have to take action. That experience led me to author legislation that became law that prohibited gag clauses that were preventing pharmacies from advising their patients, their customers, on whether or not there was a less expensive way to purchase their prescription drug.

And I’m proud to say that that legislation is now law, but there is much more that we need to do. The HELP Committee, on which I serve, has incorporated more than 14 measures to increase price competition in its legislation on lowering health care costs. And I know the presiding officer is a member of that committee as well.

I’m pleased to say that the bill includes major portions of the *Biologic Patent Transparency Act*, which is the bill that I authored with Senator Tim Kaine. It is intended to prevent drug manufacturers from gaming the patent system. Now patents are very important and they help to spur innovation, and that period of exclusivity encourages drug manufacturers to invest more into lifesaving drugs. But the fact is, when the patent has expired, generics should be allowed to come to the market and drive down the cost. But, according to former FDA Commissioner Scott Gottlieb, if all of the biosimilars—those are generics for biologic drugs—that had been approved by the FDA were successfully marketed in our country in a timely fashion, Americans would have saved more than \$4.5 billion in 2017. A biosimilar version of Humira, the world’s bestselling drug, has been on the market in Europe for over a year while American patients must wait until 2023. We simply cannot allow this kind of abuse of the patent system to continue.

The Judiciary Committee has also advanced proposals that empower the Federal Trade Commission to take more aggressive action against anti-competitive behaviors. Last month, FTC charged the infamous Martin Shkreli with an anticompetitive scheme to setting an increase of more than 4,000 percent—overnight!—for the life-saving drug Daraprim. That was the focus of an investigation on the Aging Committee that I led with former Senator Claire McCaskill. I applaud the FTC for taking action, and we simply must give them more authority and the resources to pursue these kinds of anticompetitive cases that drive up the costs of prescription drugs.

Finally, I hope we have an opportunity to debate other worthy proposals, including one Senator Shaheen and I introduced to lower the skyrocketing price of insulin. And I want to commend the administration for, today, releasing a new plan to drive down the costs of insulin for Medicare beneficiaries.

The fact is, between 2012 and 2016, the average price of insulin nearly doubled. According to the Health Care Cost Institute, the price of an average 40-day supply of insulin rose from \$344 in 2012 to \$666 in 2016. There is no justification for that. Insulin was isolated nearly 100 years ago, and while there are different varieties of insulin, it's still insulin.

As co-chairs of the Senate Diabetes Caucus, Senator Shaheen and I have introduced legislation which creates a new pricing model for insulin, and our bill would hold pharmacy benefit managers (PBMs), pharmaceutical companies, and insurers accountable for surging insulin prices by incentivizing reductions in list prices. For the most popular insulins, this would result in as much as a 75 percent decrease in prices on average. Whether you are insured or you are paying out of pocket, you would benefit from that significant decline in the price if you need insulin to control your diabetes.

Congress has a tremendous opportunity to deliver a decisive victory in both lowering health care costs and improving health care for the people in my State of Maine and throughout our country. Let's not delay any longer. We must act on prescription drug legislation without further delay. We have three committees that produced bills, and I believe that this should be a priority for this chamber.

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