

Sen. Susan M. Collins
Drug Pricing Colloquy
July 22, 2020

Mr. President, first, let me recognize and thank Senator Grassley for his extraordinary leadership on an issue that matters so greatly to the American people, and that is the high cost of prescription drugs. His persistence has produced the *Prescription Drug Price Reduction Act*—a far reaching set of proposals that I strongly endorse and that builds on the work that I have done as the Chairman of the Aging Committee.

Mr. President, more than half of all Americans and 90 percent of our seniors take at least one prescription drug each month. We should be able to work together to help the American people, particularly our seniors, on an issue that affects their health and their finances. No senior should be faced with the choice of buying food they need, paying a bill for their oil to heat their home, and buying their prescription drugs. I remember, very well, Mr. Chairman, being at the pharmacy in Bangor, Maine, and the couple in front of me found out that their co-pay was \$113. The husband looked at his wife and said, “Honey, we just can’t afford that,” and they left the prescription—that one of them needed, that was prescribed by their doctor—there on the pharmacy counter. And when I asked the pharmacist, “How often does this happen?” He said, “each and every day. Every day. That is why we should be working together and pass Senator Grassley’s bill, as well as many of the other bipartisan bills described today, including legislation that I’ve advocated to improve the lives of many Americans. This should surely be beyond partisan politics.

Last year, three Senate committees advanced legislation to reform our flawed drug pricing system. Mr. President, I can’t think of anything else that we buy where the price is less transparent, is more opaque, than prescription drugs. The Finance Committee’s bill, the *Prescription Drug Price Reduction Act*—which I am proud to co-sponsor—would make crucial improvements. As Senator Cassidy just explained, one of the most important improvements is the Medicare Part D, it would protect our seniors with an out-of-pocket spending limit. It would also include cost control measures such as an inflationary cap to limit price hikes.

Now, Mr. President, we have made some progress in this area. I’ve authored legislation that’s making a difference for patients. One of the laws I authored bans “gag clauses” that had prohibited pharmacists from informing their customers if there were a less expensive way to purchase their prescription drug. And amazingly enough, it’s cheaper to pay out-of-pocket than to use your insurance card, not something most consumers would ever realize, unless the pharmacist informed him or her. My bill also updates a 2003 law requiring drug manufacturers to notify the Federal Trade Commission of patent settlement agreements, giving the agency greater visibility into whether they include tactics such as anti-competitive reverse payments that slow or defeat the introduction of lower-cost drugs. Another law I authored is helping to bring lower-cost generics to the marketplace more quickly by expediting their approval by the FDA. Clearly, there is more that we must do.

At a time when economic and health security are more linked than ever, Congress has an opportunity to deliver a decisive victory in lowering costs for patients. In addition to the Finance

Committee package, the HELP Committee bill, and I serve on the HELP Committee, which is chaired by Senator Alexander, incorporated more than 14 bipartisan measures to increase price competition, including portions of a bill that I introduced with Senator Tim Kaine—the *Biologic Patent Transparency Act*—which is intended to prevent drug manufacturers from gaming the patent system. Patents are important to encourage groundbreaking, new pharmaceuticals, but the system should not be gamed so that when the patent is about to expire, a host of new patents are filed on the medication in order to block a lower-cost generic from coming to market.

Mr. President, in October, the Institute for Clinical and Economic Review (ICER) published its first annual report on unjustified price increases of prescription drugs in our country. It should surprise no one that Humira, the poster child for patent gaming, led the list. Humira's price increased by nearly 16 percent from 2017 to 2018, costing American patients and insurers an extra \$1.86 billion. Why do we want to wait any longer? And how did Humira do it? The manufacturers once again put up this patent thicket in order to block the lower-priced bio-similar.

The Judiciary Committee advanced bills that empower the Federal Trade Commission to take more aggressive action on drug pricing. This year, the FTC charged the infamous Martin Shkreli with a scheme to increase the price of the life-saving drug Daraprim by more than 4,000 percent overnight, which was the focus of an Aging Committee investigation I led with former Senator Claire McCaskill in 2016.

Floor consideration should also allow for other important prescription drug bills, such as legislation that Sen. Jeanne Shaheen and I have authored to eliminate incentives that create price spikes distorting the insulin market. Insulin's been around for a 100 years, and I realize there's fast-acting and slow-acting insulin, but there's no excuse for the skyrocketing price of insulin. There's another bill that I've co-sponsored, introduced by Senators Klobuchar and Grassley that would end pay-for-delay abuses.

We must come together on prescription drug legislation without further delay. Three committees have produced strong bipartisan bills, and we should proceed to act and pass this legislation. Thank you, Mr. President.