

Opening Statement
Chairwoman Anna G. Eshoo
Subcommittee on Health
Committee on Energy and Commerce
Hearing on “Making Prescription Drugs More Affordable: Legislation to Negotiate a Better Deal
for Americans”
September 25, 2019

Today, millions of Americans are fighting two battles – their illness and the cost of their prescription drugs. One in four diabetes patients ration their insulin. Twenty-three percent of American seniors report difficulty affording their drugs, and 30 percent of Americans have skipped a dose due to cost. As a nation, we’re paying 3 to 4 times more for these needed drugs than other countries.

Every member of this committee has heard from their constituents about out-of-control prescription costs. It’s time to act.

Today, a U.S. law prohibits Medicare from negotiating directly with drug companies, the only developed nation in the world with such a law.

That’s why we’re considering four bills to finally allow Medicare to negotiate drug prices.

Two of the bills, H.R. 3, the Lower Prescription Drug Costs Now Act and H.R. 448, the Medicare Drug Price Negotiation Act limit the negotiated price to be in line with what other wealthy countries pay.

With these bills, Americans will no longer have to pay so much more for their prescription drugs than other countries. Our constituents deserve a much better deal.

Importantly, H.R. 3 prioritizes insulin as first on the list to be negotiated. Humalog, a common insulin costs the average American \$2,242 per year. If prices in the U.S. matched those in other countries, Humalog would cost Americans \$347 per year – 7 times less than it does now.

Under H.R. 3, every American, whether they are enrolled in Medicare or have private insurance, will have access to these lower prices.

H.R. 3 also ensures seniors can afford their out-of-pocket drug costs. When many seniors live on an annual income of only \$26,000, bringing out-of-pocket costs down to \$2,000 per year from as much as \$5,100 could be a godsend.

H.R. 3 also stops drug price hikes like the ones we saw from EpiPen and Martin Shkreli's price hike of Daraprim. The bill says that if a manufacturer raised the price of any Part B or Part D drug (including generics) above the rate of inflation, the manufacturer must lower the price or pay the entire price above inflation back to the Treasury.

When H.R. 3 was introduced last week, I read some of the comments from my Republican colleagues. I want to address them head-on:

First on bipartisanship. I want H.R. 3 to be a bipartisan bill because I want it to become law.

H.R. 3 includes many provisions that President Trump and other Republicans have publicly supported. It delivers on candidate Trump's support for negotiating drug prices. H.R. 3 also has a similar policy to President Trump's proposal to tie what Medicare Part B pays for prescription drugs to international prices.

H.R. 3 shares provisions with Senator Grassley's drug pricing bill, including capping out-of-pocket costs for seniors and limiting price hikes to inflation.

Second, Republicans say that this bill will stifle innovation and R&D. Today, NIH spends more money on R&D than any single pharmaceutical company, and most big drug manufacturers spend more today on marketing, sales, and overhead than on R&D.

Third, my colleagues call H.R. 3 socialism. Did Republicans call candidate Trump a socialist when he said, "when it comes to negotiate the cost of drugs, we are going to negotiate like crazy"? Who here hasn't supported the VA's ability to directly negotiate drug prices? Congress unanimously voted to give the Secretary of the VA authority to negotiate in 1992 resulting in VA's prescription drugs costing about 40% less than Medicare's.

The cost of prescription drugs is an enormous burden for the American people and it's time to level the playing field for them.

I yield my time to Representative Matsui.