

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Chairman Frank Pallone, Jr.

Hearing on “Negotiating a Better Deal: Legislation to Lower the Cost of Prescription Drugs”

May 4, 2021

Today, the Committee is considering the Elijah E. Cummings Lower Drug Costs Now Act and other legislation that will provide much needed relief to Americans who are fed up with the outrageously high prices of their prescription drugs. I am pleased we are holding this hearing to highlight once again why we must act, and why H.R. 3 is the comprehensive solution this country needs to fix our broken market for prescription drugs.

For too long, Americans have been forced to ration their medications, go without, or exhaust their life savings in order to afford the drugs they need, all while large pharmaceutical companies continue to make record profits. Americans pay three, four, or ten times the amount that people pay in other countries for the exact same drug. How is that fair? It’s not – in fact, it’s outrageous and it is long past time that we negotiate a better deal for Americans.

H.R. 3 gives the Secretary of Health and Human Services (HHS) the ability to negotiate lower drug prices directly with drug manufacturers on high cost prescription drugs that don’t have any competition. The Secretary negotiates lower prices on behalf of Medicare, but those same lower prices will be available to all Americans with private insurance.

H.R. 3 also stops unfair and unjustified price increases by requiring drug manufacturers to pay a rebate if they increase prices faster than inflation. The bill also caps Part D out-of-pocket costs for Medicare beneficiaries so they pay no more than \$2,000 out of their own pockets a year for their prescription drugs.

H.R. 3 provides the reforms we need to lower the cost of prescription drugs and uses some of the savings to reinvest in efforts to find the next scientific breakthroughs at the National Institutes of Health and improve drug review at the Food and Drug Administration.

H.R. 3 will save consumers and taxpayers billions of dollars, and it will lower health care costs and premiums, while also improving health outcomes. In fact, the Congressional Budget Office estimates that because H.R. 3 will reduce drug prices, the estimated cost of health insurance would also be reduced, leading to more take-home pay for workers. CBO also determined that the Medicare program will save \$42 billion in other health care expenditures because beneficiaries will be healthier since they will be able to afford their medications and take them as prescribed.

H.R. 3 will have a tremendous impact on the lives of everyday Americans. People like Therese Ball who is testifying before the Committee today. Her experience – while unfortunately

May 4, 2021

Page 2

not unique – encapsulates so clearly why H.R. 3 must become law. The medication Therese relied on to treat her multiple sclerosis – as she will tell you – wiped out her savings. Eventually she was forced to stop taking this medication because of the cost, even though she knew she would face health repercussions as a result.

I just don't believe that any American should have to choose between paying for the prescription drugs they need to stay healthy and other basic necessities like food and rent.

As President Biden noted last week during his Joint Address to Congress, it is long past time that Americans are no longer saddled with higher drug costs than people in other countries. It is long past time to negotiate lower prescription drug prices for the American people. I look forward to moving H.R. 3 through the Committee once again and for it to become law this year as the President suggested.

In addition to negotiation and stopping the inflation of drug prices, we also know that competition is key to bringing down costs for Americans. In 2019 alone, patients and the health care system saved more than \$300 billion due to generic and biosimilar competition. Today we will also discuss several other bills that will increase competition.

As we will hear from our witnesses today, finding comprehensive solutions to high drug prices cannot wait any longer. That is why I am pleased we are considering the legislative proposals before us today.

Thank you, I yield back.