



House Members Are Right to Urge NIH to Address Soaring Drug Cost

The National Retiree Legislative Network (NRLN), that represents the interest of more than 2 million retirees, commends the 51 U.S. Representatives who signed the January 11, 2016 letter urging the Director of the National Institutes of Health (NIH) to utilize “existing statutory authority to respond to the soaring cost of pharmaceuticals.”

The NRLN urges other Representatives and Senators to insist that the NIH assert “march-in-rights” granted by Congress in 1980 to implement reasonable guidelines to discourage drug price gouging by pharmaceutical firms that use taxpayer-funded federal research that results in the licensing of new drug patents. **(See NRLN paper on price gouging by U.S. drugmakers.)**

The members of the House Affordable Drug Pricing Task Force who signed the letter are accurate in stating that “too many families and providers are facing an extraordinary challenge from unreasonably priced pharmaceuticals. In short, too many drugs are not ‘available to the public on reasonable terms’.”

The letter went on to state: “High prescription drug prices are not limited to one type of treatment or one type of disease. For example, the rapidly rising costs of specialty drugs, like those to treat cancer, which are frequently developed with taxpayer funds, are keeping those in need from being able to access care. A recent report found that in 2013, the average annual price of specialty prescription drugs was 18 times higher than the average annual price of generic prescription drugs. By 2020, specialty drugs will account for only about 2% of prescriptions, but an estimated 30% of drug spending. Over time, these rising prices could result in higher taxes and/or cuts to public programs like Medicare and Medicaid, which are already spending \$140 billion on prescription drugs annually.”

Truveris, a health-care data company that tracks drug prices, found that during 2015, the price of branded drugs — those still on patent — rose 14.77 percent. Specialty drugs, which often are used to treat complex or rare conditions and tend to carry high price tags, rose 9.21 percent. Even generic drugs, which historically have tended to get cheaper over time, rose 2.93 percent.

The NRLN agrees with the Task Force that about one-quarter of priority-reviewed drugs (drugs deemed especially important by the FDA) could be impacted by NIH fully exercising its “march-in rights”. The lawmakers who signed the letter believe that an NIH announcement of reasonable guidelines in response to price gouging would positively influence pricing across the pharmaceutical industry.

The NRLN also commends the Senate’s Special Committee on Aging for conducting a hearing into soaring drug prices on December 9, 2015 and is pleased that the House Committee on Oversight and Government Reform announced in November 2015 that it plans to hold a hearing early in 2016 on drug pricing practices.

The NRLN advocates for legislation to reduce the cost of prescription drugs. There are 13 bills in Senate and House committees supported by the NRLN that, if passed, would result in prescription drug savings to Americans and in some cases also to Medicare. **(See NRLN paper on price gouging by U.S. drugmakers.)** Congress needs to form a consensus on which bills to pass to best address skyrocketing drug costs.