



601 Pennsylvania Avenue, N.W.
Suite 900, South Building
Washington, D.C. 20004-2601
Tel: 202-220-3172 Toll-Free: 1-866-360-7197
Email: contact@nrln.org Website: www.nrln.org

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The NRLN advocates the rights of more than 2 million American retirees from...

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December 2, 2015

The Honorable Jason Chaffetz, Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2236 Rayburn House Office Building
Washington, DC 20515-4403

Dear Chairman Chaffetz:

I was pleased to read a November 18th article in *The Hill* that the Committee on Oversight and Government Reform plans to hold a hearing early next year on drug pricing practices. On behalf of the more than 2 million retirees represented by the National Retiree Legislative Network (NRLN), I want to commend the Committee on its interest in examining the ever-escalating cost of prescription drugs.

A November 20th *New York Times* article reported on the Obama Administration's daylong forum held to solicit ideas from consumer advocates, doctors, drug makers, insurers and employers in order to begin building a political case for government actions to protect Americans against high pharmaceutical costs. America's seniors hope this is only a prelude to serious discussions on how to make prescription drugs affordable for those on fixed incomes.

Specifically, the NRLN believes Congress and the Administration must reach agreement on ways to make lifesaving prescription drugs more affordable, especially for retirees living on a fixed income. Too many seniors are facing the day-to-day challenge of whether to purchase their medications or pay for their food, housing or other living necessities.

I want to be clear that the NRLN does not advocate price controls on prescription drugs. Our advocacy efforts over the years has been to encourage free market competition in the health care industry. Recent polls indicate that that Americans believe it is time to come to grips with skyrocketing drug prices. A November 14th article in *HealthDay News* reported that a new *HealthDay/Harris Poll* found most Americans now support aggressive regulation to keep health care costs in check, including price caps on drugs, medical devices and payments to doctors and hospitals. Key poll findings were:

- 73 % support price controls on drug and device manufacturers.
- 70 % would like price controls placed on hospitals.
- 66 % want to authorize Medicare to negotiate drug prices.
- 63 % support price controls on payments to doctors.
- 56 % want to be able to import less expensive drugs from other countries.

The *Modern Healthcare* survey released Nov. 16th found almost all of the 80 leaders of hospital systems, insurance companies, large physician practices, industry trade groups and nonprofits want the government to set prices for breakthrough drugs.

Eighty-six percent of them want the government to negotiate prices for drugs sold through Medicare. More than half think the drug industry is lying when it says the \$2.6 billion in R&D costs for each new drug that gets approved justify high prices, or when it says the prices reflect the value these breakthrough drugs bring to patients.

The NRLN believes there are bills in Congress that, if passed, would provide significant savings to Americans and the federal budget. The bills supported by the NRLN are:

- **Safe and Affordable Drugs from Canada Act (S. 122 and H.R. 2228)** - would allow importation of safe prescription drugs from our northern neighbors at greatly reduced prices.
- **Personal Drug Importation Fairness Act of 2015 (H.R. 2623)** – provide access to safe, reasonably priced prescription drugs by allowing personal importation and reimportation of prescription drugs from countries with safety standards at least as strong as those in the U.S.
- **Medicare Prescription Drug Price Negotiation Act (S. 31 and H.R. 3061)** - would empower Medicare to negotiate for the best possible prescription drug prices.
- **Medicare Prescription Drug Savings and Choice Act (H.R. 3261 and S. 1884)** - would create Medicare-administered prescription drug plans to compete with the expensive, privately administered Medicare Part D. The bill would also require the Department of Health and Human Services to negotiate for lower drug prices.

During the NRLN's annual fall fly-in to Washington, D.C. this past October, among the issues leaders of the NRLN-affiliated retiree associations and NRLN chapters advocated for was the passage of the **Safe and Affordable Drugs from Canada Act (H.R. 2228 and S. 122)** introduced in the House by Representatives Chellie Pingree and Dana Rohrabacher and in the Senate by Senators John McCain and Amy Klobuchar. The NRLN has released its own report, "**The Case for Legalizing Importation of Prescription Drugs from Canada,**" as well as a compilation of testimonials from retirees from all over the country describing the financial and health difficulties they and their loved ones are facing on a daily basis. "**Reduce the Cost of Prescription Drugs**", is the document that was in the folders.

I encourage you and your staff to review the NRLN's documents as you prepare for the hearing on drug pricing practices. I also respectfully ask you and other committee members to look beyond the drug price-gouging by a few companies to the bigger issue of exorbitant pricing of prescription drugs in general that has led to a pharmaceutical industry whose rate of return has been nearly double the average of Fortune 500 companies.

If the NRLN can be of assistance in providing information on the negative impact the high cost of prescription drugs is having on the health and economic well-being of retirees, please contact me or Marta Bascom, the NRLN's Executive Director in Washington, DC at 703-863-9611 or executivedirector@nrln.org.

Sincerely,



President, National Retiree Legislative Network
Phone: 972-722-5928 Email: president@nrln.org

Copy to:

Sean McLaughlin
Rachel Weaver

Attachments