

Opening Remarks by Senator Chuck Grassley of Iowa
Chairman, Senate Finance Committee
Hearing on Drug Pricing in America: A Prescription for Change, Part II
Tuesday, February 26, 2019

I want to welcome the witnesses and thank them for being here.

The information they share will help inform the committee as it addresses the issue of high prescription drug prices.

America has a problem with the high cost of prescription medicines.

Whether it's about the EpiPen, insulin, or other prescriptions, in the thousands of letters I've received, Iowans have made clear that high drug prices are hurting them.

I've heard about people skipping doses of their prescription drugs to make them last until the next paycheck.

I'm not a doctor, but rationing one's medicine doesn't sound like a safe prescription for health and wellness.

Others have told me about leaving their prescription on the pharmacy counter because it cost too much.

There is no question that researchers and doctors have developed treatments and cures for diseases where there were once none.

And, such innovations take time and money.

But, we're all trying to understand the sticker shock that many drugs generate. Especially when some of those drugs have been around for a long time.

There is a balance between incentivizing innovation and keeping prices affordable for consumers and taxpayers.

Like all systems, things can get out of balance.

The good news is, we are here to discuss solutions.

In fact, we are here today thanks to our system of checks and balances.

Congress has a constitutional responsibility to be a meaningful check on the spending of taxpayer money.

That responsibility includes not just holding hearings, but also holding the private sector and the government accountable through oversight.

Just like a doctor has to properly diagnose a disease before it can be treated, Congress needs to understand what's going on in the drug pricing supply chain in order to respond in a measured and effective way.

As a part of that fact-finding, as of last Friday, Ranking Member Wyden and I launched an inquiry into the high cost of insulin.

This hearing is not about scapegoating any one group regarding high drug costs.

That's why we're holding a series of bipartisan hearings on the issue.

Without a doubt, drug pricing is a complex issue.

But I think we should all be asking: Should it be so complex?

We cannot allow anyone to hide behind the current complexities to shield the true cost of a drug.

And, we shouldn't turn a blind eye to industry practices that thwart the laws and regulations designed to promote competition and generic drug entry in the market.

Health and Human Services Secretary Alex Azar, FDA Commissioner Scott Gottlieb and the Federal Trade Commission have identified a number of tactics that undermine competition - like withholding samples, pay for delay, product-hopping, and rebate bundling, just to name a few.

While these agencies are taking enforcement action or looking at regulatory changes, we here in Congress are exploring legislative options to deter companies from engaging in these practices that keep drug prices high for patients.

Today, we expect open, honest answers from the pharmaceutical industry to figure out how we got here and see what ideas they have to make things better.

One of the first things we need to talk about is list price.

Secretary Azar has said that pharmaceutical companies believe that the list price is meaningless.

In fact, some of your testimony today will echo that.

However:

For a patient taking a drug that has no competition, the list price is meaningful.

For seniors on Part D who are paying co-insurance as a percentage of list price, the list price is meaningful.

For people who have high deductible plans and pay thousands of dollars towards list price, the list price is meaningful.

For pharmacy benefit managers, providing drugs with a high list price can be more attractive than providing a less expensive drug.

Therefore, for taxpayers, the list price is meaningful.

We've all seen the finger pointing. Every link in the supply chain has gotten skilled at that.

But, like most Americans, I'm sick and tired of the blame game.

It's time for solutions.

One way or another we're going to get some clarity.

The American people deserve straight answers and real solutions.

On that note, I want to remind each of you that it's a crime under Title 18 U.S. Code, Section 1001 to provide false testimony to Congress.

Thank you for coming. I look forward to your testimony.