

Question for the Record

“Drug Pricing in America: A Prescription for Change Part II”

Witnesses: Richard A. Gonzalez, Pascal Soriot, Giovanni Caforio, Jennifer Taubert,
Kenneth C. Frazier, Albert Bourla, and Olivier Brandicourt
Finance Committee Hearing Date: February 26, 2019 at 10:15am

From: Senator Wyden

To All Seven Witnesses:

As has been done in many other settings, drug manufacturers said during the hearing that one reason list prices for drugs are high is that pharmaceutical benefit managers (PBMs) demand larger and larger rebates in order for the drug to receive favorable placement on a formulary. You and your colleagues who testified during the hearing stated if the Administration’s proposal on changes to the anti-kickback safe harbor for pharmaceutical rebates took effect, your company would likely lower list price. Is this accurate?

Like many Oregonians, I am skeptical drug manufacturers would voluntarily lower their prices. Therefore, would you support legislation that would 1) make similar changes the Administration has put forward related to Part D and Medicaid managed care, 2) change the rebate system in a similar way to the proposal for the commercial market, and 3) require drug makers to lower the list price of their drugs equal to the amount of rebates provided today?