

The Time To Act Is Now: Lower Drug Prices For All Americans

Prescription drugs are prohibitively expensive for too many Americans. Drug prices [skyrocketed](#) under former President Donald Trump. And despite countless [promises](#) to take action, Trump and his Republican allies in Congress blocked reform at every turn. Instead, Republicans rewarded Big Pharma with [massive](#) tax breaks, and drug companies continue to line the pockets of shareholders and CEOs while raising prices for everyday Americans.

After four long years of broken promises, President Joe Biden and Democrats in Congress are now working to end the rigged system for drug companies and finally lower drug costs for American families. In 2019, House Democrats passed the Lower Drug Costs Now Act (H.R. 3), bold legislation to give Medicare the power to negotiate for lower drug costs - the single most effective measure to bring down drug prices. As the nation continues to battle the coronavirus pandemic, ensuring access to affordable health care, and specifically prescription drugs, has never been more critical. The time to act is now.

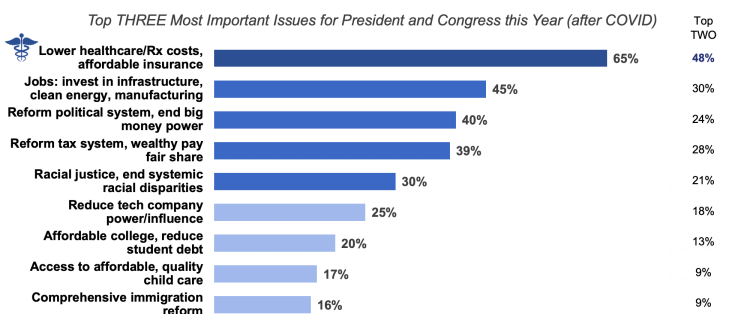
Polling Reveals The True Cost Of High Drug Prices In America

High Drug Prices Are Plaguing Americans

Drug Pricing Is A Top Issue For Americans.

Polling has consistently [shown](#) that after addressing COVID-19, the top issue for voters is lowering health and drug costs. A January 2021 Morning Consult poll found that [96% of voters](#) said lowering drug prices is an important challenge facing Americans. Another recent Harvard-POLITICO poll found drug pricing was a top priority for Americans, with [87% of respondents](#) saying the issue is "extremely important."

After COVID is addressed, the dominant item on voters' agenda (*by far*) is lowering the cost of healthcare.



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More Than A Third Of Americans Have Forgone Medications To Pay For Essential Items And Bills. A recent survey found that [36% of Americans](#) have forgone medications to pay for essential items and bills. The rate is higher for people of color, with nearly half (47%) of non-white respondents having forgone medications to pay for essential items.

58 Million Americans Were Unable To Afford Prescribed Drugs In 2019. A November 2019 Gallup survey found that [58 million Americans](#) were unable to afford prescribed drugs at least one time in the previous 12 months.

Nearly One In Four Americans Have Difficulty Affording A Prescribed Medication. Nearly [1 in 4 Americans](#) (24%) have difficulty affording prescribed medications. [30% of 50-64 year olds](#) reported problems affording drugs. Costs are of particular concern to those in fair or poor health — [49%](#) of those in fair or poor health

reported problems affording prescribed medications in 2019. Other groups more likely to report difficulties affording their medications include people with annual incomes less than \$40,000 and people taking four or more drugs every month.

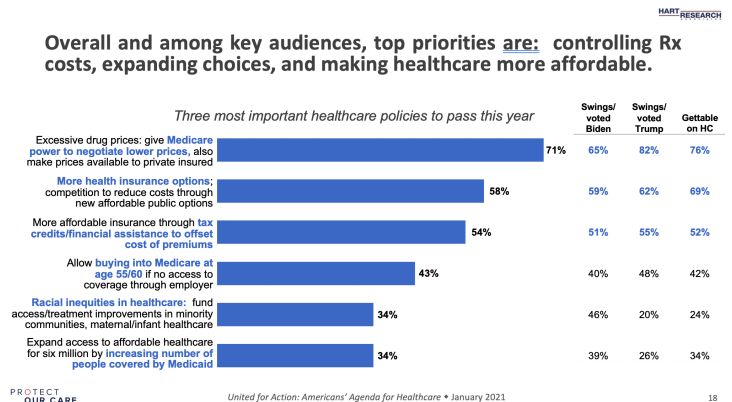
Medication Insecurity Is On The Rise, Especially For People Of Color. A July 2020 Gallup survey found reports of medication insecurity have risen by ["statistically significant levels,"](#) rising from 19% of adults in early 2019 to 24% in 2020. This increase was driven primarily by non-white adults.

Two-Thirds Of Adults Agree Drug Costs Increased Under Former President Trump. [Two-thirds of adults](#) reported that prescription drug prices increased under former President Trump. This includes 81% of Democrats, 70% of independents, and 47% of Republicans.

Americans Fear That Drug Companies Will Use The Pandemic As An Excuse To Raise Prices. [Nearly 9 in 10](#) Americans fear that drug companies will use the pandemic as an excuse to raise prices.

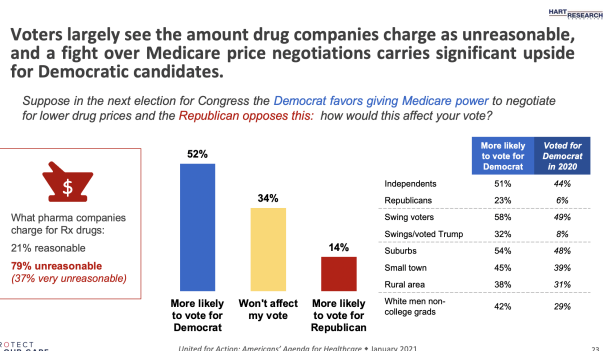
Medicare Negotiation Is Widely Popular Among Voters

Nine In 10 Americans Support Medicaid Negotiation. Polls consistently show nearly [nine in 10 Americans](#) support allowing Medicare to negotiate for lower drug prices. A July 2020 Gallup poll found that [89%](#) support government negotiation to control the cost of COVID-19 treatment. A January 2021 Hart Research [poll](#) on behalf of Protect Our Care found that giving Medicare the power to negotiate is the most important health care policy to pass this year.

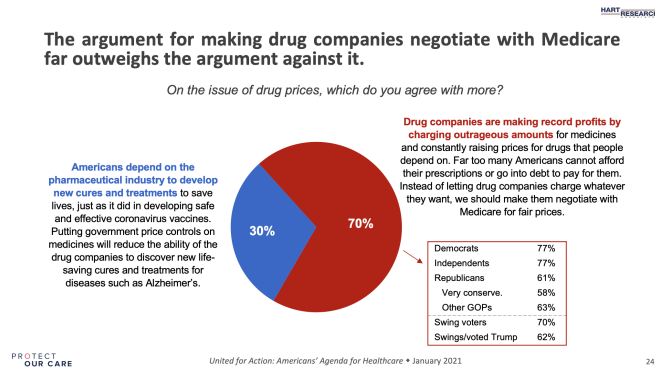


Medicare Negotiation Is A Winning Issue For Democrats. The Hart Research [poll](#) also found that nearly 8 in 10 voters (79%) agree that the cost pharmaceutical companies charge for prescription drugs is unreasonable. Voters agreed that the arguments for negotiation -- that drug companies are making record profits by charging outrageous amounts -- far outweigh the arguments against it -- that controlling costs could hurt innovation.

Respondents overwhelmingly reported that they would be more likely to support a Democratic Congressional candidate that favors Medicare negotiation:



Even after hearing PhRMA's core innovation argument, only 3-in-10 agree with their position that Medicare negotiation will harm innovation into cures and treatments, while 7-in-10 Americans say they agree with Democrats' side of the argument:



NO LIMITS: Drug Companies Are Shamelessly Hiking The Cost Of Lifesaving Drugs

For years, drug companies have engaged in the dangerous practice of price-gouging — pursuing massive profits to the detriment of people who need their medication to survive. Among the highest-profile examples of price gouging is the lifesaving diabetes drug, insulin. Developed in 1923, insulin treatments have only experienced moderate improvements in recent years but have seen astronomical price hikes. The cost of the four most popular types of insulin have [tripled](#) over the past decade, with the average price per month rising to \$450 in 2016. Eli Lilly, for example, has [hiked](#) the price of its brand-name insulin, Humalog, 30 times in 20 years, from \$21 per vial in 1998 to nearly \$300 in 2018. As costs continue to rise, as many as one in four of the [7.5 million](#) Americans dependent on insulin are skipping or skimping on doses, which can lead to [death](#).

Thousands of other drugs have also been subject to price gouging. For example, pharmaceutical company Amgen has raised the cost of its pricey rheumatoid arthritis drug, Enbrel, by [457%](#) since 2002. Enbrel now costs \$72,240 for a year's worth of treatment. A recent [analysis](#) from the Kaiser Family Foundation analysis found that half of all drugs covered by Medicare Part D, or 1,646 drugs, had price increases averaging 3.5 times the rate of inflation between 2018 and 2019. These price increases not only hurt seniors facing co-pays at the pharmacy counter, but they raise costs for taxpayers who help pay for these expensive drugs.

Indeed, price hikes touch nearly every corner of the health care system: A 2019 report from the Institute for Clinical and Economic Review found that price hikes on seven prominent drugs cost Americans more than [\\$5 billion](#) over two years. Arthritis drug Humira topped the list, costing Americans an excess of \$1.9 billion in co-pays, out-of-pocket costs, and premiums between 2016 and 2018.

Research has shown that even a modest increase in out-of-pocket costs will cause many patients to stop taking essential medications. An alarming new working paper from Harvard economist Amitabh Chandra [found](#) that increasing Medicare beneficiaries' cost sharing by \$10 per prescription led to a 33% increase in mortality. This suggests that even moderate price increases could have deadly consequences for patients.

An 18-month investigation led by the House Oversight and Reform Committee confirmed that price hikes were driven by profits and executive pay. Kaiser Health News [summarized](#) the September 2020 report's major findings: "much of the drug industry's profits come at the expense of taxpayers and the Medicare program, are

used to pay for generous executive bonuses and are guarded by aggressive lobbying and efforts to block competition, regulation or systemic change in the United States while the rest of the world pays less.”

Business As Usual: Drug Costs Are Rising As The Nation Is Still Reeling From The Pandemic

Drug Companies Hiked The Prices Of Nearly 1,000 Drugs In January. Multiple [studies](#) confirm that drug companies hiked the prices of hundreds of drugs in January 2021, as the pandemic surged across the nation. One [analysis](#) from 46brooklyn found that the U.S. saw brand name drug price increases surpass 900 in January 2021, the highest in over a decade. Another [analysis](#) from GoodRX found that more than 800 drugs saw price increases in January – the “largest number of increases in years.”

Pharma CEOs And Executives Are Cashing In During The Pandemic. In July 2020, the New York Times reported that senior executives and board members from at least 11 pharmaceutical and medical companies pursuing potential coronavirus treatments and vaccines sold shares worth well over [\\$1 billion](#) since March. Another [report](#) from Accountable Pharma found that executives at five major pharmaceutical companies that received taxpayer funding for vaccines made \$145 million in stock sales between May and August of 2020. Reporting from Axios confirmed top executives reaped massive profits during the pandemic. Per Axios, “Dave Ricks of Eli Lilly made [\\$68 million](#) (twice as much as 2019), and \$58 million of that came from stock.”

Drug Companies Experience The Highest Profits Among Any Major Industry. Between 2000 and 2018, 35 large drug companies raked in a combined revenue of [\\$11.5 trillion](#) with a gross profit of \$8.6 trillion – far more than other large companies. Researchers from West Health Policy Center and Johns Hopkins Bloomberg School of Public Health have found that drug companies could lose [\\$1 trillion](#) in sales and still be the most profitable industry.

Americans Are Already Paying More For Drugs Than Any Other Country In The World. At \$1,229 per capita, people in the U.S. [spend more](#) on pharmaceuticals per capita than do people in any other country in the world. A recent report by the RAND Corporation shows that U.S. drug prices are 256% higher than 32 other countries.

Who Gets Hurt From High Drug Prices?

About [six in 10 Americans](#) are taking at least one prescribed medication. While high drug costs hurt millions of American families, some groups are bearing the brunt of these high costs more than others.

Women. Nonelderly women are [generally](#) more likely than their male counterparts to use prescription drugs. A study published in *Health Affairs* [found](#) that women are more likely than men to skip needed prescriptions because of cost. Similarly, a 2019 Gallup [poll](#) found that the gender gap for prescription drug affordability is growing, with 27.5% of women unable to afford a prescribed medication in the previous year, compared to 18.1% of men.

Communities Of Color. Decades of structural racism have led to people of color experiencing higher rates of chronic illnesses, lower coverage rates, and barriers to accessing health care. In a January 2021 [survey](#) on prescription drug affordability, nearly half (47%) of non-white respondents reported having forgone medications to pay for essential items, compared to 21% of white respondents. Additional polling from Unidos U.S. found that [more than half](#) (55%) of Latinos worry about affording prescription drugs. According to the

Action Center on Race and the Economy, Black and Latino patients are [more likely](#) than white patients to ration diabetes and hypertension medications due to cost.

Children. High drug prices [force](#) families to choose between lifesaving medications and other essentials. Drugs commonly used by children are also susceptible to price hikes. In 2017, Mylan came under fire for hiking the price of an [EpiPen](#) prescription to \$609 even though each package only contained about \$1 worth of the drug epinephrine. EpiPens are essential for children experiencing severe allergies, like the estimated [1.2 million](#) children with a peanut allergy.

Medicare Negotiation Would Bring Down Drug Prices While Saving Taxpayers Billions

Democrats' Drug Pricing Proposal Would Save Taxpayers Nearly \$500 Billion Over The Next 10 Years.

Analyses from the nonpartisan [Congressional Budget Office](#) and the [CMS Office of the Actuary](#) the bill confirmed it would reduce negotiated drug prices by as much as 55%— saving patients an estimated \$158 billion over the next few years and decreasing deficits by \$456 billion.

H.R. 3 Could Save Patients Thousands Of Dollars On Costly Medications. The Center for American Progress [calculated](#) average savings for several drugs that would likely meet the criteria for negotiation under [H.R. 3](#). In addition to achieving thousands of dollars in monthly savings on expensive treatments for conditions like cancer and multiple sclerosis, H.R. 3 would help lower the cost of insulin for some diabetics by more than \$700 annually.