

November 20, 2009 - For Immediate Release

## NLARx to Majority Leader Reid: Fix Donut Hole, Speed up Generic Pathway, Bring Down Drug Costs in Health Reform Legislation

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### **State Legislators Urge Federal Counterparts: Fix Medicare Part D and Make Drugs Affordable**

*Letter to Senate Majority Leader Reid decries "morally reprehensible" actions of drug industry dramatically increasing prices in past months to game health care reform and retain excessive profits*

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Hallowell, ME, November 20 - Today, the National Legislative Association on Prescription Drug Prices sent a letter to Senate Majority Leader Harry Reid urging that he amend the Patient Protection and Affordable Care Act to more directly and effectively lower the cost of pharmaceuticals.

- Link to webpage where letter is posted: [more](#)

Writing for the organization, Board Chair David Catania, D.C. Council Member at Large, joined by fellow state legislator board members from across the country, stated that the legislation's drug pricing provisions "fall short in several critical respects, with the result that Americans will continue to be overcharged for their medications, generic versions of life-saving drugs will be delayed, and savings that could help pay for health care access will be foregone."

The legislators castigated the drug industry for its attempt to rack up significant additional profits through price increases in the months immediately preceding anticipated enactment of national health reform. The letter states:

"Our concerns take on renewed urgency given the morally reprehensible actions of the pharmaceutical industry in raising wholesale prices of brand-name drugs about 9 percent

in the 12 months that ended Sept. 30, even as the Consumer Price Index declined during the same period. We would say we are shocked, except that this same industry engaged in identical behavior in the run-up to passage of the Medicare Part D prescription drug benefit."

The letter notes that the additional \$10 billion in profits gained in the past 12 months will result in "a commensurate increase in human suffering as drugs are simply priced out of reach for many," and urged Majority Leader Reid to revise his legislation to address these actions. The letter states:

"We have never understood the reluctance to require price negotiation under Medicare Part D, and it is fiscally imprudent to follow this same path as we move to expand access to health insurance to virtually all Americans.

We are also very concerned that the extended timeframe for the generic pathway for biologics will freeze in place for decades exorbitant pricing for the most expensive life-saving drugs, well beyond what is reasonable to insure a return on investment and a fertile environment for innovation."

The letter requests that the health reform legislation be amended to: (1) Require price negotiation under Medicare Part D; (2) Immediately close the "donut hole"; (3) Insure that rebate requirements are calculated from a baseline that predates the 12-month run-up of wholesale prices; (4) Reduce the 12 years of data exclusivity offered to new products, and (5) Eliminate the "evergreening" loophole that will allow brand-name companies to make minor modifications to existing biologics and obtain a brand new 12-year market monopoly.

In addition to D.C. Councilmember Catania, NLARx Board Members New Hampshire Rep. Cindy Rosenwald, Iowa Senator Jack Hatch, West Virginia Senator Dan Foster, Connecticut Rep. Kevin Ryan, Arizona Senator Meg Burton Cahill, Maine Rep. Anne Perry, Vermont Senate President Pro Tem Peter Shumlin, and NLARx Executive Director Maine Rep. Sharon Treat signed the letter.

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### **About the National Legislative Association on Prescription Drug Prices**

NLARX is a non-partisan, non-profit organization of state legislators from across the country working to lower prescription drug costs and improve access to affordable medicines. Members include legislators from states in all regions of the country, from New England to Alaska and Hawaii and the District of Columbia. For more information and to sign up for our bi-weekly newsletter, visit our website at [www.reducedrugprices.org](http://www.reducedrugprices.org).