May 16, 2018

The Honorable Richard J. Durbin
U.S. Senate
711 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Chuck Grassley
U.S. Senate
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Durbin and Grassley:

AARP, on behalf of its nearly 38 million members and all older Americans nationwide, is pleased to endorse S. 1437, the Drug-price Transparency in Communications (DTC) Act to codify the requirement that drug manufacturers list the price of their drugs in direct-to-consumer advertisements (DTC).

AARP strongly supports efforts to increase price transparency for prescription drugs. AARP’s most recent Rx Price Watch Report found that, on average, the prices of brand-name drugs widely used by older Americans increased four times faster than the rate of inflation in 2017. Further, the average annual cost for a brand-name drug used on a chronic basis was nearly $6,800, almost $1,000 higher than the average annual cost just two years earlier. For the average Part D enrollee who takes 4.5 medications regularly, the annual cost of therapy would have been more than $30,000 in 2017—more than 20 percent higher than the median income for Medicare beneficiaries.

AARP supports efforts to increase price transparency for prescription drugs, including the rule recently finalized by the Secretary of Health and Human Services (HHS) to require drug manufacturers to include the price of certain drugs in televised direct-to-consumer (DTC) advertisements. We believe that providing this information will help make patients and prescribers more aware of prescription drug prices. Requiring DTC advertisements to include price information will help improve the balance between education and possible overutilization by encouraging more informed conversations between patients and prescribers. Increased price transparency could also help foster competition that eventually leads to lower drug costs for consumers and taxpayers.

Your legislation would make the recently finalized rule permanent by requiring HHS to compel drug manufacturers to disclose pricing information in their DTC advertisements.
This will help to ensure that the recently finalized rule remains in place and cannot be undone by future regulatory action.

AARP appreciates your leadership in helping to increase drug price transparency for the millions of older Americans struggling to afford the prescription drugs they need. If you have any questions, please feel free to contact me, or have your staff contact Amy Kelbick on our Government Affairs staff at (202) 434-2648 or at akelbick@aarp.org.

Sincerely,

David Certner
Legislative Counsel & Legislative Policy Director
Government Affairs