May 9, 2019

The Honorable Jan Schakowsky
United States House of Representatives
2367 Rayburn Office Building
Washington, D.C. 20515

The Honorable Francis Rooney
United States House of Representatives
120 Cannon Office Building
Washington, D.C. 20515

Dear Representatives Schakowsky and Rooney:

AARP, on behalf of its nearly 38 million members and all older Americans nationwide, is pleased to endorse the Fair Accountability and Innovative Research (FAIR) Drug Pricing Act. We appreciate your focus on legislative solutions to address the high price of medicine, and as a first step, this bill will help improve transparency to help combat skyrocketing drug prices.

Older adults are particularly vulnerable to high prescription drug prices. Medicare Part D enrollees take on average 4–5 prescriptions per month, and over two-thirds have two or more concurrent chronic illnesses. When older Americans talk about the impact of high prescription drug prices, they are often talking about costs that they will face every year for the rest of their lives. The annual median income of Medicare beneficiaries is just over $26,000. One-quarter have less than $15,000 in savings. This population simply cannot afford higher and higher prices for the medications they need.

A key way to help address prescription drug price increases and high consumer costs is by improving price transparency. Drug manufacturers that choose to increase the price of prescription drugs should be required to disclose to taxpayers the information behind their decisions to raise prices. Improved access to such information could help patients, providers, and policymakers assess whether a drug price increase is reasonable.

The FAIR Drug Pricing Act would require drug manufacturers to report and justify significant price increases. Specifically, the bill would require drug manufacturers to notify the U.S. Department of Health and Human Services (HHS) and submit a transparency and justification report 30 days before they increase the price of certain drugs that cost at least $100 by more than 10 percent over one year or 25 percent over three years. We strongly support requiring drug manufacturers to justify such drastic
increases in their prices – increases which could make it even more difficult for older Americans to afford the medications they need.

We look forward to working with you to advance this bill as well as other measures that will help lower prescription drug prices and reduce costs for older Americans. If you have any additional questions, feel free to contact me or have your staff contact Amy Kelbick on our Government Affairs staff at akelbick@aarp.org or 202-434-2648.

Sincerely,

David Certner
Legislative Counsel and Legislative Policy Director
Government Affairs