June 25, 2019

The Honorable Bill Cassidy
U.S. Senate
520 Hart Senate Office Building
Washington, D.C. 20510

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

Dear Senators Cassidy and Durbin:

AARP, on behalf of its nearly 38 million members and all older Americans nationwide, is pleased to endorse S. 1209, the Reforming Evergreening and Manipulation that Extends Drug Years (REMEDY) Act, to help lower drug prices by improving generic competition.

Older adults are particularly vulnerable to high prescription drug prices. Medicare Part D enrollees take an average of 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 to keep paying higher and higher prices for the medications they need.

AARP’s recent Rx Price Watch Report focused on brand name drugs 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. However, AARP’s recent Rx Price Watch Report focused on widely used generic drugs found that the vast majority had price decreases in 2017. In fact, generic prescription drug prices fell by an average of 9.3% that year. This report also found that the average annual price of a brand-name drug was more than 18 times higher than the average annual price for a generic drug.

AARP is pleased to endorse the REMEDY Act as one step to help reduce drug prices by addressing one of the patent abuse tactics that brand-name manufacturers use to thwart generic competition. Brand-name manufacturers often receive multiple patents
on a single drug, which in turn are used to delay or prevent generic and biosimilar competitors from coming to market in a timely manner. In fact, the top 12 best-selling drugs in the U.S. each have an average of 71 patents. At the same time, under current law, the Food and Drug Administration (FDA) is required to place a 30-month stay on any generic application that is subject to ongoing patent litigation. The REMEDY Act would help to alleviate this problem by allowing the FDA to move forward on approving a generic drug application if the patent litigation pertains to a secondary patent. This will help to better ensure that the patent system is used to reward innovation – not stymie generic and biosimilar competition.

AARP appreciates your leadership in helping to lower drug prices 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