

# Congress of the United States

Washington, D.C. 20515

May 15, 2017

The Honorable Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20502

Dear President Trump:

Throughout your campaign and since becoming President, you have repeatedly stated your desire to lower drug prices. In fact, as recently as March 7, 2017, you stated that you are working on a new system to enhance competition and reduce the price of prescription drugs. We share those goals and believe that we need to take immediate action to reduce the skyrocketing cost of drugs. To that end, we believe the upcoming reauthorization of the User Fee Agreements (UFAs) provides an opportunity for your Administration and Congress to work together to reform our drug pricing system and bring relief to American families.

We have a prescription drug spending crisis and the American people are demanding action. A recent poll conducted by the Kaiser Family Foundation found that 77 percent of Americans believe the price of drugs is unreasonable<sup>1</sup>. Another poll by the Kaiser Family Foundation found a quarter of American families cannot fill a prescription due to the cost of the drug<sup>2</sup>. Moreover, the problems created by high prescription drug prices are not limited to working families. These price increases also affect employers, private insurers, and taxpayer-funded programs like Medicare and Medicaid by increasing premiums and the cost of public insurance programs.

This is a systematic problem that requires an aggressive, comprehensive solution. In the commercial market, overall drug costs increased by 15.8 percent in 2015, while overall health costs increased by only 6.5 percent<sup>3</sup>. In Medicare, Part D gross drug costs nearly doubled from \$61.9 billion in 2007 to \$121 billion in 2014<sup>4</sup>. In Medicare Part B, prescription drug spending doubled from \$11 billion to \$22 billion between 2007 and 2015<sup>5</sup>. In Medicaid, spending on

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<sup>1</sup> <http://kff.org/health-costs/report/kaiser-health-tracking-poll-september-2016/>

<sup>2</sup> <http://kff.org/health-costs/poll-finding/kaiser-health-tracking-poll-august-2015/>

<sup>3</sup> [http://media.spglobal.com/documents/SP\\_Global-Healthcare-Claims-Index-Monthly-Report-May-2016.pdf](http://media.spglobal.com/documents/SP_Global-Healthcare-Claims-Index-Monthly-Report-May-2016.pdf)

<sup>4</sup> [http://www.gphaonline.org/media/cms/HHS\\_Study\\_Dec\\_2016.pdf](http://www.gphaonline.org/media/cms/HHS_Study_Dec_2016.pdf)

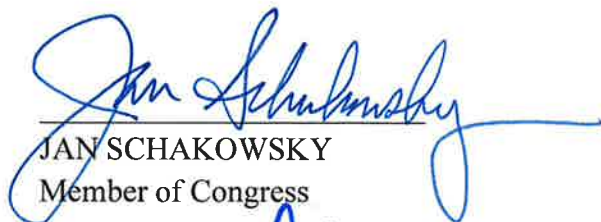
<sup>5</sup> Ibid.

prescription drugs per enrollee also grew by over 13 percent between 2013 and 2014<sup>6</sup>. And a 2016 AARP study of widely used brand name drugs found that 97% had price increases that exceeded inflation<sup>7</sup>. Without action, those trends will only continue.

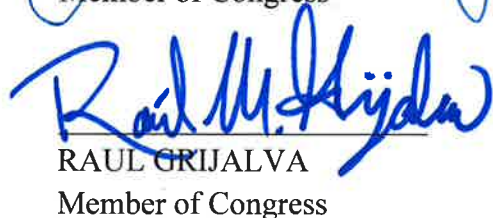
Congress will soon take up legislation to reauthorize the UFAs between prescription drug companies and the Food and Drug Administration (FDA). This is an important opportunity for Congress and your Administration to work together to reduce the price of prescription drugs. There is no shortage of possible reforms for us to pursue in the context of the UFAs. For example, we could require Medicare to negotiate for the price of drugs, as you have called for. We can work to improve transparency around drug pricing so we can better understand how much drug corporations spend to develop and manufacture their drugs and how much they make in profits from those drugs. We could end pay-for-delay deals, which prevent cheaper, generic alternatives from coming to market. We could ensure that generic drug manufacturers, whose products help to lower the costs of prescription drugs through competition, have access to the materials needed to conduct studies essential for FDA approval. We could require drug corporations to provide rebates to Medicare when the cost of their drug exceeds a certain threshold, as they currently do for drugs covered by Medicaid. Any of the above proposals would make an enormous difference in bringing down the cost of prescription drugs and improving the lives of Americans, and we urge you to work with Democrats in Congress to enact them into law.

The time has come for us to act. We cannot sit by and watch Americans struggle to afford the drugs they need and jeopardize critical public insurance programs like Medicare and Medicaid as their drug spending continues to rise. We urge you to work with us to improve the lives of millions of Americans by lowering drug prices.

Sincerely,



JAN SCHAKOWSKY  
Member of Congress



RAUL GRIJALVA  
Member of Congress



KEITH ELLISON  
Member of Congress



MARK POCAN  
Member of Congress

<sup>6</sup> Ibid.

<sup>7</sup> <http://www.aarp.org/content/dam/aarp/ppi/2016-02/RX-Price-Watch-Trends-in-Retail-Prices-Prescription-Drugs-Widely-Used-by-Older-Americans.pdf>



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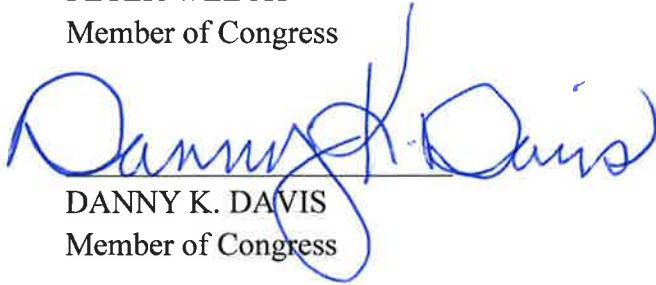
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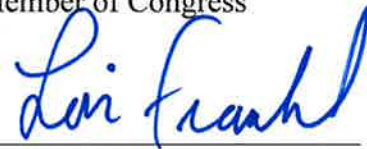
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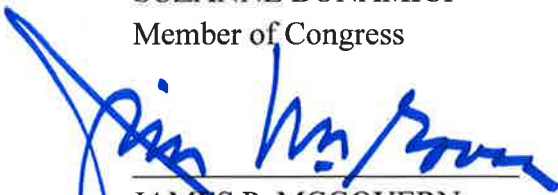
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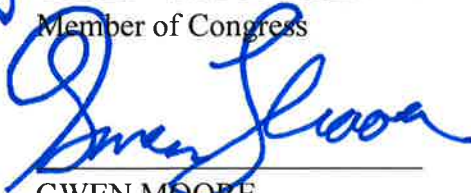
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