

Senators urge action to block drastic drug price hikes

December 21 2016, by Matthew Perrone

Angered by skyrocketing drug prices, a pair of senators on Wednesday urged Congress to block companies from cornering the market on old, off-patent drugs.

Sens. Susan Collins, R-Maine, and Claire McCaskill, D-Mo., released findings from a year-long investigation into companies like Turing Pharmaceuticals, which generated national outrage last year after hiking the price of a life-saving anti-infection drug by more than 5,000 percent.

Committee investigators concluded that Turing and several other companies "engaged in price gouging ... to make massive profits from decades-old life-saving therapies." The lawmakers, top members of the Special Committee on Aging, presented similar findings at three hearings over the past year.

The 131-page report comes as lawmakers and pharmaceutical executives try to gauge President-elect Donald Trump's interest in government intervention to curb rising drug prices, a leading health care concern among patients.

While campaigning, Trump said he would support efforts to allow Medicare—the massive government health plan for seniors—to directly negotiate drug prices with manufacturers, a step long opposed by the pharmaceutical lobby. That policy does not appear among the health care proposals currently outlined on Trump's website. The list includes a policy allowing importation of cheaper drugs from Canada and other

countries, another proposal opposed by drugmakers.

Representatives for Trump did not respond to requests for comment Wednesday.

A day earlier, 19 senators sent a letter to Trump, urging him to follow-through on pledges to help lower drug prices.

"During your campaign, you promised to implement bold reforms to bring down the cost of prescription drugs," states the letter, signed by 17 Democrats and independent Sens. Bernie Sanders of Vermont and Angus King of Maine. "We are ready to advance bipartisan reforms that will help achieve the goal we all share: reducing the burden exorbitant drug prices are placing on hard-working Americans.

The new report draws similarities between the tactics of companies such as Turing and Valeant Pharmaceuticals and investment firms that profit by buying under-valued stocks and pushing up prices. Investigators note that Turing's former CEO, Martin Shkreli, and several other executives probed by the committee previously worked at hedge funds.

"This may help explain why these companies may have been run more like hedge funds than pharmaceutical companies," the report states.

Shkreli stepped down as the head of Turing after prosecutors charged him with securities fraud late last year. Valeant is the target of more than 10 government probes, plus multiple shareholder lawsuits.

Turing said in a statement Wednesday that it has taken several steps to increase access to its drug, daraprim, including offering discounts to hospitals. The drug still carries a list price of \$750 per pill.

"It is disappointing that the report takes out of context and selectively

highlights certain comments, including from past employees that are not reflective of Turing's current commitments and efforts," the company said.

A Valeant spokesperson did not immediately respond to a request for comment.

An AP analysis published last month found that congressional investigations have had little effect on drug prices. A review of nearly 30 brand-name and generic medications targeted by Congress—including those probed by the Aging committee—showed that most have not budged since coming under federal scrutiny.

Many pharmaceutical companies increase prices annually as a matter of doing business. But the drastic increases profiled in the report helped turn drug pricing into a national issue, reverberating from late-night television to the campaign. The tactics seemed to confirm some of the public's worst fears about pharmaceutical companies: that they are more Wall Street-driven investment vehicles than actual makers of medicines.

"We've got to find ways to increase competition for medicines and ensure that patients and their families aren't being gouged," said McCaskill.

McCaskill and Collins call for several legislative steps intended to increase price competition, including giving priority review to drugmakers that develop cheaper versions of drugs that are only available from a single company. Elsewhere, lawmakers favor short-term importation of drugs in short supply to help bring down U.S. prices.

© 2016 The Associated Press. All rights reserved.

Citation: Senators urge action to block drastic drug price hikes (2016, December 21) retrieved 26

April 2024 from

<https://medicalxpress.com/news/2016-12-senators-urge-action-block-drastic.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.