

House Dems announce sweeping investigation of drug pricing

14 January 2019, by Ricardo Alonso-Zaldivar

House Democrats announced a sweeping investigation Monday of the pharmaceutical industry's pricing practices, jockeying for the upper hand with the Trump administration on an issue that concerns Americans across the political spectrum.

Oversight and Reform Committee Chairman Elijah Cummings said he's sent letters to 12 major drugmakers seeking detailed information and documents about pricing practices for [brand-name drugs](#) to treat diseases including cancer, diabetes, kidney failure and nerve pain.

Cummings, a Maryland Democrat, said he wants to find out why [prices](#) have increased so dramatically for some existing medications, as well as how drug companies determine the prices of newly introduced medicines. The committee also is seeking information on what the manufacturers do with revenue and what steps can be taken to reduce prescription drug costs.

"Research and development efforts on groundbreaking medications have made immeasurable contributions to the health of Americans," Cummings said. "But the ongoing escalation of prices by [drug companies](#) is unsustainable." The committee, which has broad jurisdiction and subpoena power, is planning to hold hearings.

The Trump administration has been pursuing its own plan to lower drug prices by approving more generic medications and trying to do away with industry practices that allow manufacturers, insurers and pharmacy benefit managers to profit at the consumer's expense. But independent analysts have said the administration's approach does not stop companies from charging [high prices](#) to begin with, particularly for brand-name medications with no generic competitors.

Polls regularly show that high drug prices are a

major concern for consumers, and that majorities favor government action regardless of political party identification.

Last week, Cummings and other prominent liberals introduced legislation that would tie U.S. prices to what consumers pay in other economically advanced countries, where governments regulate prices. The Trump administration has been moving in the same general direction, with an experiment that would involve a limited set of medications, those administered in a doctor's office.

The Pharmaceutical Research and Manufacturers of America had no immediate response to Cummings' announcement, but the trade group has previously said that price regulation would "wreak havoc" on the U.S. health care system by undermining the [financial incentives](#) for companies to undertake costly research in pursuit of breakthrough medications.

The list of companies on the receiving end of Cummings' demand reads like an industry who's who. Included are Johnson & Johnson, Pfizer, and Eli Lilly, the former employer of current U.S. health secretary Alex Azar.

Among the drugs Cummings wants to find out about are Gleevec, a widely used [cancer treatment](#) from Novartis; Nexium, Pfizer's gastric reflux [medication](#), Humalog, a type of insulin from Eli Lilly, and Crestor, AstraZenaca's cholesterol-lowering medication.

A majority of U.S. adults take prescription medication, in most cases affordable generics. But the high cost of some brand-name drugs has alarmed consumers. A few years ago, the hepatitis C cure Sovaldi made headlines when it was selling for \$1,000 a pill. Cancer treatments can cost tens of thousands of dollars a year. Patients are not covered by insurance for all costs, and sometimes doctors and insurers disagree about the best

approach for treatment, adding to stress for families.

The House Oversight committee has a track record of investigating issues of national significance under leadership from both parties. But it can also devolve into a forum of pursuing partisan agendas.

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