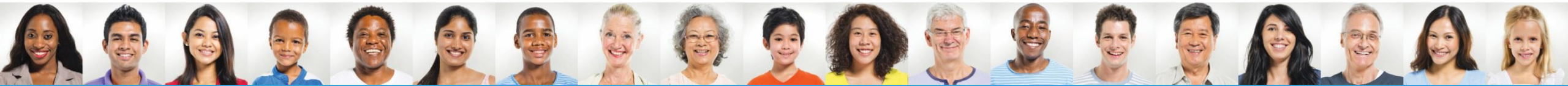




A National Mobilization Moment on Federal Drug Pricing
3:00pm – 4:00pm ET
July 13, 2021



*Dedicated to creating a nation where the best health and
health care are equally accessible and affordable to all*

Agenda

- I. Introductions & Housekeeping
- II. Meeting the Moment on Drug Pricing
- III. What Recent Polling Reveals on Drug Pricing
- IV. Overview of the Political Landscape on Capitol Hill
- V. Policy Proposals on the Table
- VI. Mobilization Moment
 - I. How State Partners are Activating
 - II. Advocacy Toolkit & Call to Action
- VII. Q&A

Today's Speakers



Lisa Hunter, Senior Director of Strategic Partnerships, Families USA



Sean Dickson, Director, Health Policy, West Health Policy Center



Sarah Kaminer Bourland, Legislative Director, Patients For Affordable Drugs



Eliot Fishman, Senior Director of Health Policy, Families USA

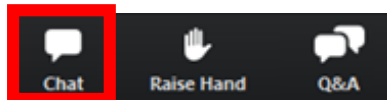


Will Fischer, Legislative Affairs Director, Lower Drug Prices Now Coalition

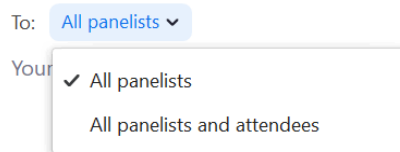
Housekeeping

Zoom Webinar Participant Controls

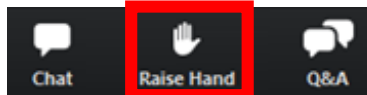
Chat Box: Open *Chat* to send messages to the host, panelists, and attendees.



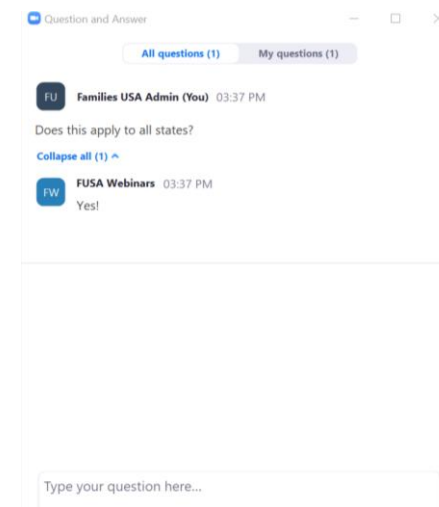
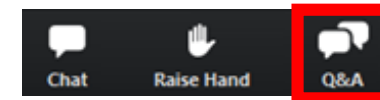
You can choose to chat only the panelists, or all panelists and attendees.



Raise Hand: Press *Raise Hand* to indicate you have a question and would like to ask out loud.



Question & Answer Box: Open the Q&A window to ask questions to the hosts and panelists. We'll either reply back to you directly or answer your question live.



Federal Drug Pricing Legislation is Now at a Fever Pitch

Americans are struggling to keep up with drug prices & costs continue to soar: Tips on saving money



Why drug price negotiation has staying power

AXIOS

The American Families Plan & A Call for Drug Pricing Legislation

JD SUPRA

MarketWatch

Rising drug prices continue to hit seniors

Wyden: New legislation must hold drug prices in check

PortlandTribune

Prescription Drug Price Increases Continue to Outpace Inflation

AARP

New AARP report shows even during pandemic consumers have had to pay more for medicines



House of Representatives Reintroduces Focus on Drug Prices



The Case for Drug-Pricing Reform — The Cost of Inaction

HEALTH

With America's attention on COVID-19, drugmakers are quietly raising US prescription prices

Darrel Rowland The Columbus Dispatch

Published 6:01 a.m. ET Jan. 17, 2021 | Updated 1:40 p.m. ET Jan. 17, 2021



Price Increases Continue to Outpace Inflation for Many Medicare Part D Drugs

KFF

FDA's Approval of Biogen's New Alzheimer's Drug Has Huge Cost Implications for Medicare and Beneficiaries

KFF

How Patent Extensions Keep Some Drug Costs High

UNDARK

The Biden administration has a chance to help curb drug costs in naming a new patent office director, some experts say.



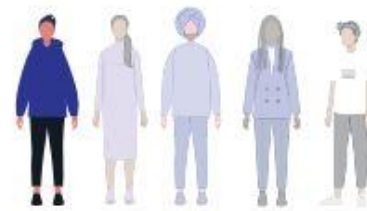
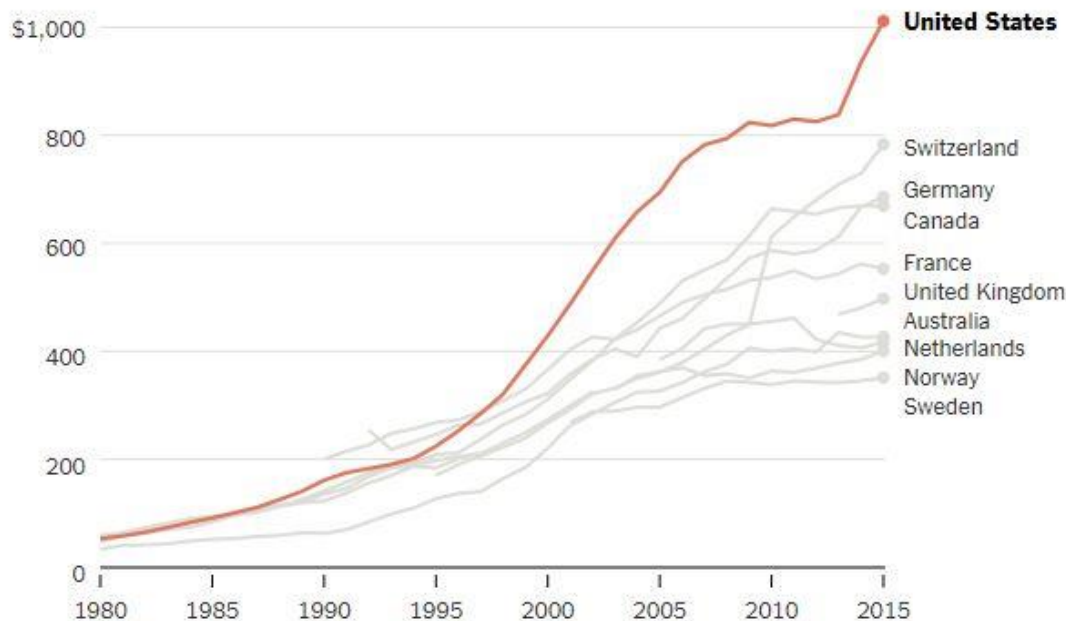
Reports Reveal No End in Sight to High Drug Prices – Unless Congress Acts

The New York Times

International Comparison of Drug Spending

American pharmaceutical spending started taking off in the late 1990s compared with other advanced nations.

Annual retail prescription drug spending per person



In almost every state, at least one in five people **skips or alters a doctor's orders for financial reasons.**

- *The majority of consumers say that it is important for Congress and the President to take action to lower prescription drug prices and health care costs this year*
- *67% are concerned that Congress will not go far enough to bring down prices*

Adjusted for the relative purchasing power of different currencies. The Netherlands and U.K. figures include prescribed medicines, over-the-counter medications and other medical nondurable goods.

Source: The Commonwealth Fund

Sources: <https://www.nytimes.com/2018/11/12/upshot/why-prescription-drug-spending-higher-in-the-us.html>; https://familiesusa.org/wp-content/uploads/2021/06/RX-2021-162_High-Rx-Prices-Hurting-Consumers-Impact-By-State-Fact-Sheet.pdf; https://familiesusa.org/wp-content/uploads/2021/03/COV-42_Hart-Research-Poll-One-Pager.pdf

Americans cannot afford their healthcare or prescription drugs

45 million
(18%)

Of U.S. Adults **did not** seek treatment due to the **cost of care** in the **last 12 months**.

61 million
(Nearly 1 out of 4)

Of U.S. Adults are “**very worried**” about a health event that will wipe out retirement savings.

23 million
(9%)

Of U.S. Adults were **unable to pay** for a prescription drug **in the last year** because they **didn't have** money to pay for it.

25 million
(10%)

Of U.S. Adults **skipped a pill** in the **last 12 months** to **save medication** in order to save money.

It is no surprise that Americans want the government involved with lowering cost...



The West Health/Gallup Surveys Revealed



82%

Of U.S. Adults think that the **government** is not doing enough to ensure that **prescription drugs** are **affordable**.



77%

Of U.S. Adults agree that **we should allow the government to set limits on drug price increases**.



81%

Of U.S. Adults believe that **government needs to play a major role in negotiating prescription drug prices** for Medicare in order to control cost.

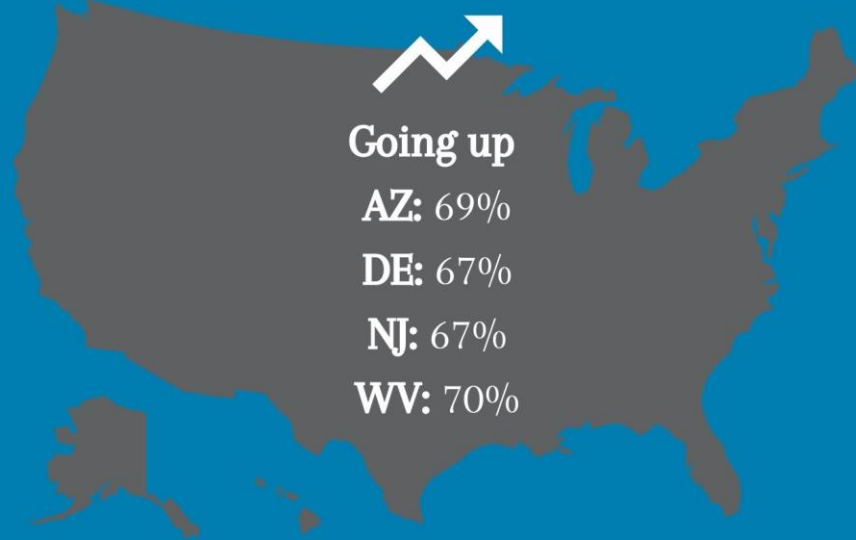


71%

Of U.S. Adults believe that **government needs to play a major to moderate role** in ensuring all Americans have access to healthcare coverage.

In key states, voters are struggling with cost and want change

Thinking generally, do you think prescription drug prices are?



Thinking again about the last 12 months, has there been a time when you or someone in your household could not pay for medicine or drugs prescribed to you by your doctor?



In key states, voters are struggling with cost and want change

Thinking about the last 5 years, has there been a time when a friend or family member passed away because they couldn't afford the necessary medical treatment for their illness?



Yes (Net)

AZ: 1.2 million (22%)

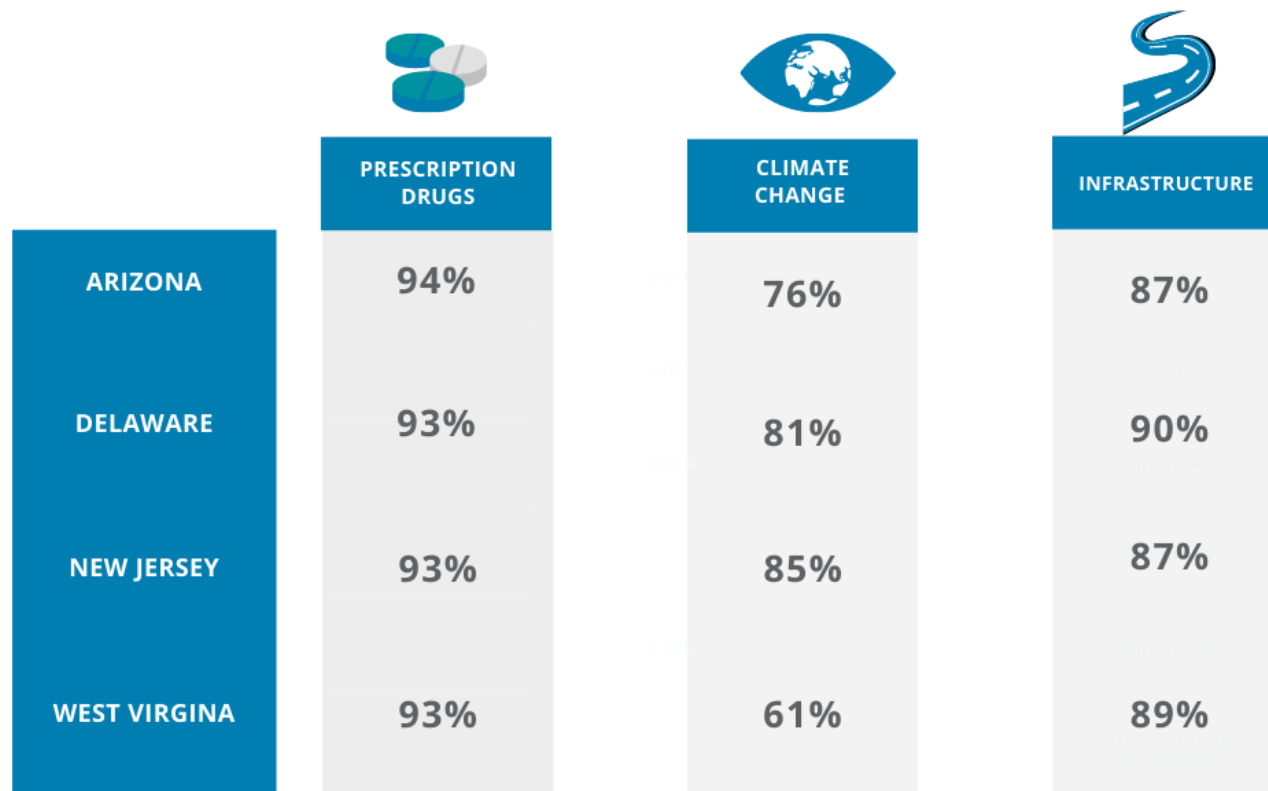
DE: 77,000 (10%)

NJ: 902,000 (14%)

WV: 243,000 (17%)

Prescription drug pricing reform is the top issue voters want the Senate to address

Priorities for Key States

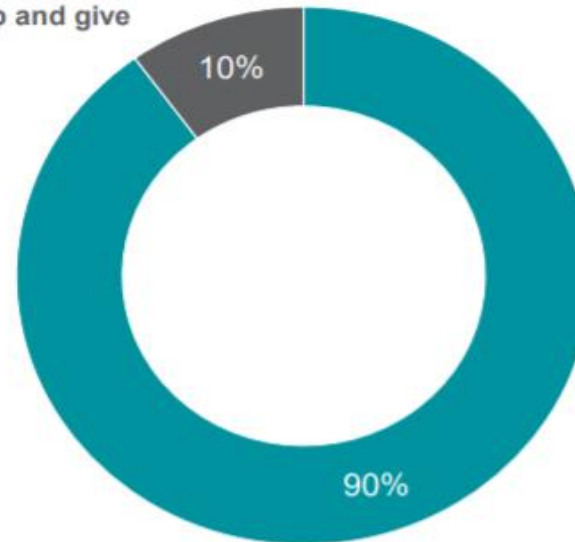


Americans don't buy the pharmaceutical industry's arguments

Large Majority of Americans Believe Drug Pricing Needs Major Reform

Which of the following statements about prescription drug pricing comes closest to your own view?

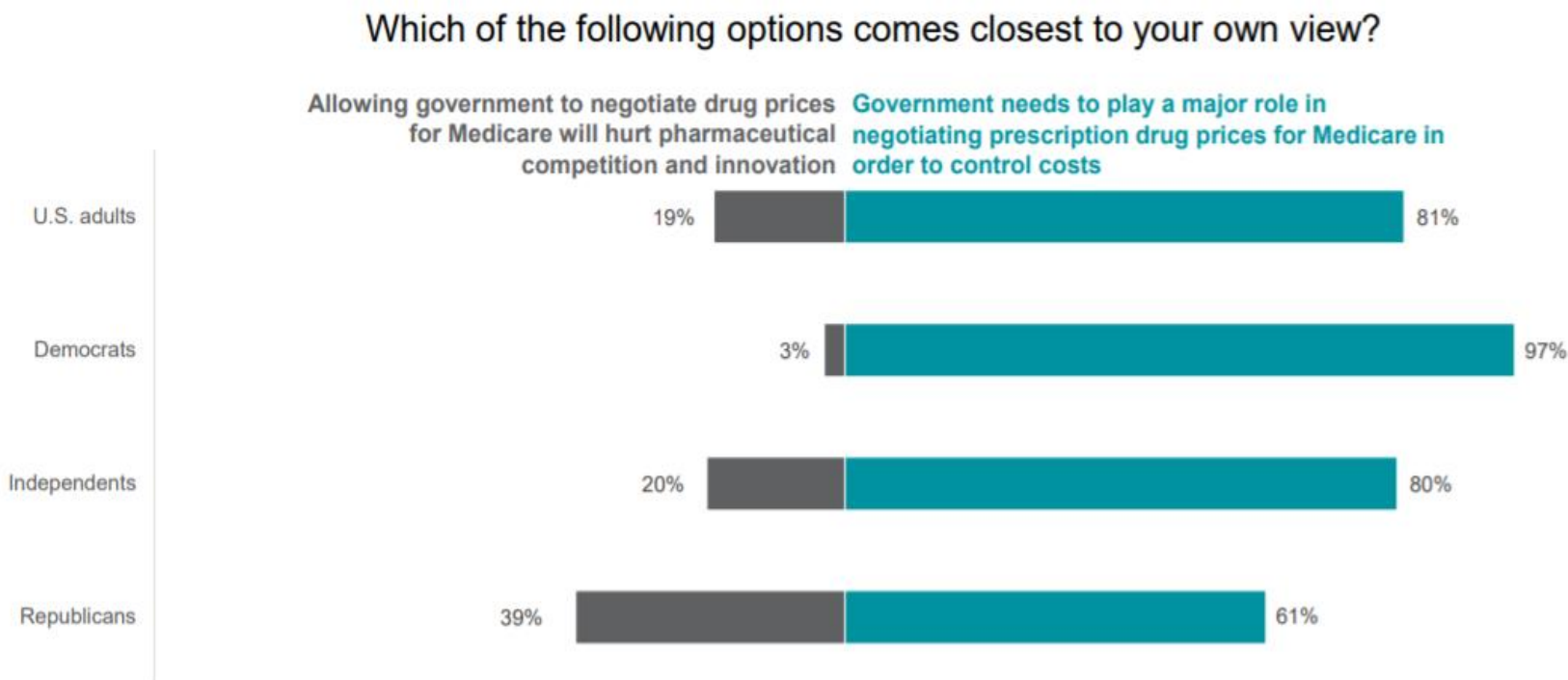
Drug pricing is fair considering the amount it costs the companies to develop and give access to drugs they produce



Drug pricing needs to undergo major reform in order to control costs

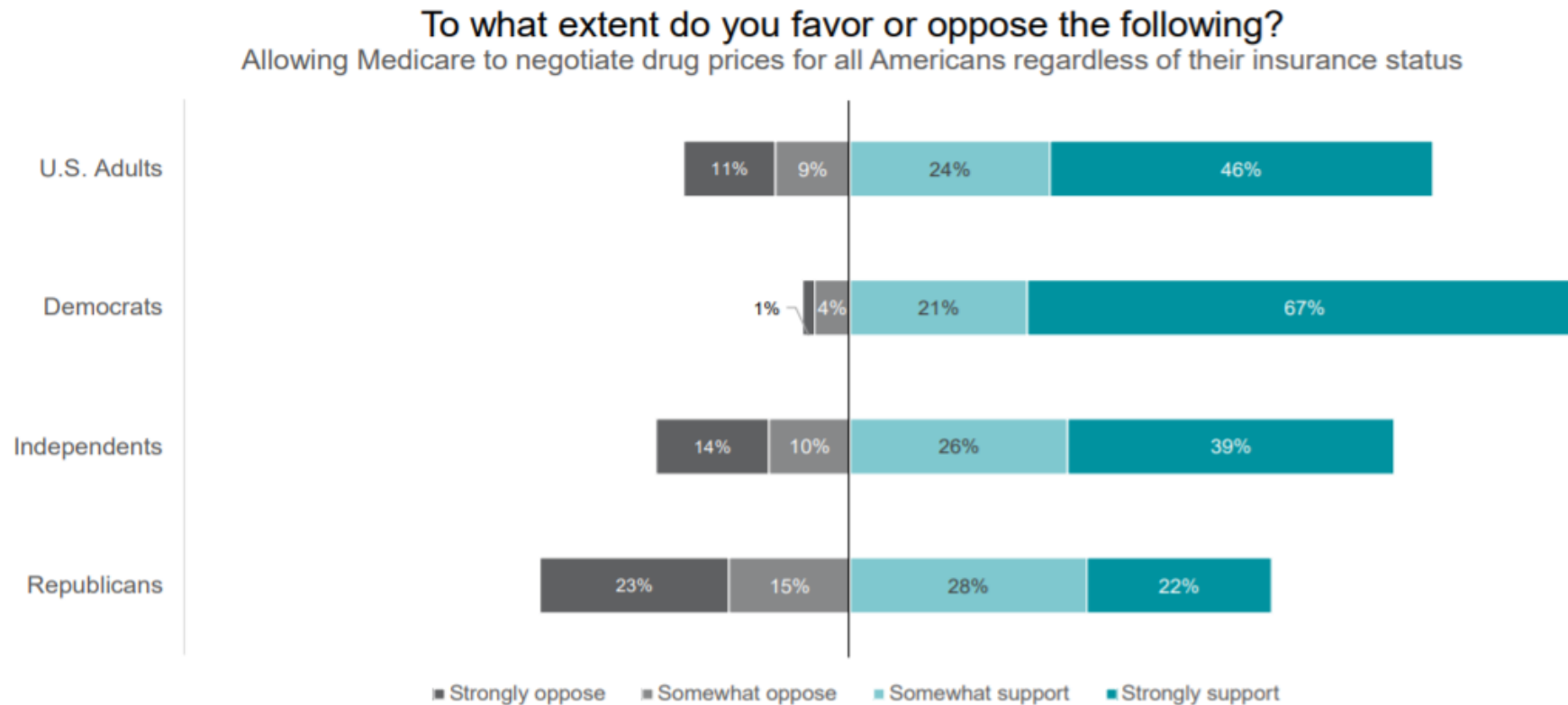
Americans don't buy the pharmaceutical industry's arguments

Few Americans Believe Negotiating Drug Prices Will Hurt Pharmaceutical Innovation and Competition; Most Want Government to Play Major Role in Controlling Costs



Across party, Americans support comprehensive Medicare negotiation

Most Americans Support Medicare Negotiating Drug Prices for All Americans



Political landscape: the President



Biden calls on Congress to pass drug pricing legislation this year

BY PETER SULLIVAN • 04/28/21 10:10 PM EDT

32 COMMENTS

As a candidate and president, Biden has expressed support for policies to lower drug prices.

“Let’s do what we talked about for all the years I was down here in this body, in Congress. Let’s give Medicare the power to save hundreds of billions of dollars by negotiating lower drug prescription prices.”

— *Joint Session Speech April 29, 2021*

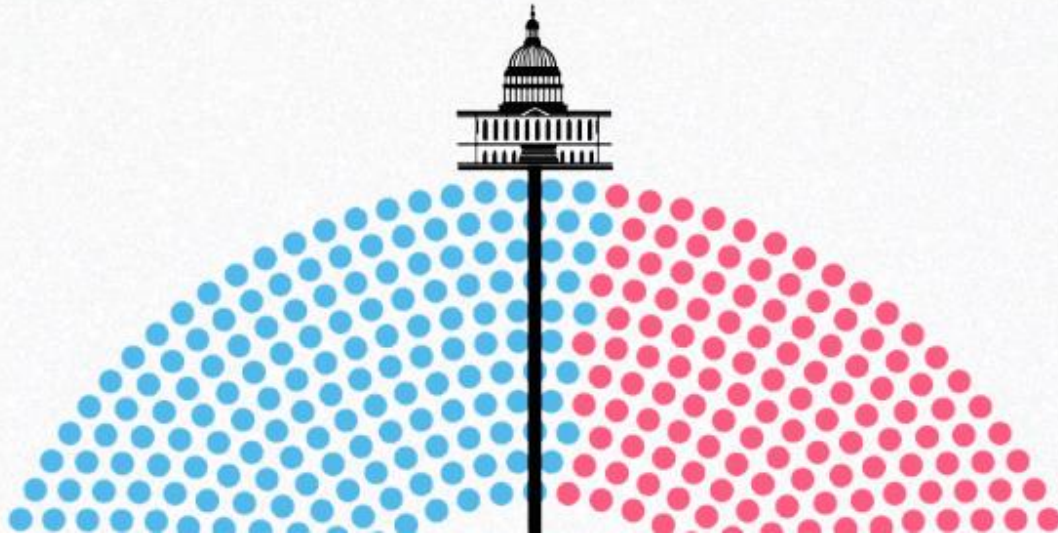
Political landscape: the House

Favorable:

- Top priority for Speaker Pelosi and Committee leadership
- Strong drug pricing legislation already made it through the House once in 2019

Unfavorable:

- Narrow (four seat) margin
- A vocal few raising concerns about H.R. 3



What's under consideration?

- H.R. 3, led by leadership, contains Medicare negotiation, price hike penalties and more, and has already had two hearings this congress

Political landscape: the Senate

Favorable:

- Top priority for Majority Leader Schumer and Chairman Wyden
- 50-50 Senate with VP tiebreaker

Unfavorable:

- 50-50 Senate — zero margin of error
- Members with concerns about legislation include moderates and folks with pharma industry presence in their state

What's under consideration?

- No legislation yet, the Senate Finance Committee is currently drafting policy



Majority Leader Chuck Schumer (NY)



Senate Finance Committee Chairman
Ron Wyden (OR)

Political landscape: both chambers

Challenges for both chambers

- Time limitation
- Competing priorities
- Industry

Pharma

Facing fresh pricing threats in D.C., pharma spent a record \$92M peddling influence during the first quarter

by Kevin Dunleavy | May 5, 2021 10:38am

Political landscape: threading the needle with thin margins

Budget reconciliation

- Permits the Senate to pass certain legislation with 50 instead of 60 votes
- Two-step process
 - Step #1 pass budget resolution with “instructions” for reconciliation
 - Step #2 budget reconciliation

Timeline

- This month: Step #1 will likely be passed soon, prior to August recess

[August recess]

- Step #2 will likely begin after August recess and stretch into the fall



Key Elements At Issue

Three areas for price negotiation/regulation:

- The initial “launch” prices of new drugs
- Excessive prices on existing drugs
- Price increases for existing drugs

For each of these three areas: which drugs are negotiated?

- Specific criteria for which drugs are targeted for negotiation are critical.
- 2019 House bill would NOT have included Aduhelm, Daraprim, or Epi-pens

Penalty for Rx manufacturers if they refuse to sell a drug at lower price

- Manufacturers may try to undermine the system
- House bill passed in 2019: Tax penalty on gross sales of drug
- Broader penalty on manufacturer? End exclusivity rights and issue competitive license?

Impact on private payers

- Availability of negotiated prices to private payers is critical for employers and labor

Incentivizing innovation not patent abuses

- Some elements passed out of committee in the Senate in last congress; key elements passed House in 2019
- Pricing reform is part of this agenda: make true innovation pay, not gaming.

Initial Indications of Where Debate is Going

- Momentum: Went from out of President's agenda in April to close to Democratic consensus now.
- Wyden principles document: <https://www.finance.senate.gov/chairmans-news/wyden-releases-principles-for-lowering-drug-prices-for-americans>
 - Strong but high-level
 - Does not commit to specific answers on five areas in previous slide but commits to substantial reform in each of those five areas.
- CBO scoring an important pro-consumer variable
 - CBO is sensitive to the specific pricing mechanisms and leverage over manufacturers

Our Mobilization Moment

Immediate Call to Action

- Urge Congress and Biden Admin to Commit to Addressing High Cost Drugs

Messaging Guidance

- Families USA [polling](#)

Upcoming Events

- Thursday30 on July 15th from 12 – 12:30pm ET on Twitter
- Rx Allies call on July 15th at 3:30 – 5pm ET

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