

Coalition seeks prescription to cure rising drug prices



By [Shelby Livingston](#)

A coalition of health care providers, employers, health insurers and consumer groups on Monday proposed several policy changes aimed at tackling the rising cost of prescription drugs.

The proposed reforms to the “broken prescription drug market” focus on increasing transparency, encouraging competition in the marketplace, and driving greater value for patients and payers, the Campaign for Sustainable Rx Pricing said in a statement.

The Washington-based coalition is a project of the nonprofit National Coalition on Health Care Action Fund.

The proposals come as U.S. spending on health care hit \$3.0 trillion in 2014, driven in part by exorbitant prescription drug costs, according to the U.S. Centers for Medicare and Medicaid Services. Prescription drug spending grew 12.2% in 2014 to \$297.7 billion due to costly specialty drugs, like those used to treat hepatitis C, and brand-name drug price increases, according to CMS.

The coalition proposed requiring drugmakers to disclose a drug's unit price, the cost of a full course of treatment and a projection of federal spending on the drug. The coalition also suggested requiring drugmakers to release the true cost of research and development for a drug, as well as annually report increases in the drug's price.

In recent months, drugmakers' pricing practices have gone under the microscope, touched off by last year's news that drugmaker Turing Pharmaceuticals raised a decades-old generic drug's price overnight to \$750 a pill from \$13.50. Since then, a national debate has surged over whether the expensive prices set by pharmaceutical companies are arbitrary or necessary for innovation.

One way to bring down drug prices is to increase competition in the market, the campaign said. The coalition called for speeding up generic drug approvals by the U.S.

Food and Drug Administration, noting that the FDA has a backlog of nearly 4,000 generic drug applications while securing approval can take three years.

Incentives should also be used to drive competition for expensive drugs that have no alternatives, the coalition said.

The Campaign for Sustainable Rx Pricing also urged that exclusivity protections should only be used for new and innovative drugs.

Finally, the coalition said policymakers should increase funding for research on drug pricing and value, expand value-based pricing in public programs like Medicare and Medicaid, and require drugmakers to provide comparisons of costs and outcomes with other similar drugs so doctors and patients can choose their treatments wisely.

“The drug companies must recognize that they are part of this larger health system and that their pricing decisions affect individuals, families, governments and purchasers. The specific policy proposals put forward by the Campaign for Sustainable Rx Pricing are important first steps towards lowering prescription drug prices in the United States,” Bernard J. Tyson, chairman and CEO of Kaiser Permanente, said in the coalition's statement.

“Everyone in the industry needs to work toward solutions that help people get the medicine they need at a price that is affordable and sustainable,” Jim DuCharme, president and CEO of Prime Therapeutics, said in the statement. “As the only pharmacy benefit manager that's a member of (the Campaign for Sustainable Rx Pricing), Prime is working with coalition members to drive more competition, transparency, and value as those strategies can close the big gaps in today's health care system that are fueling out-of-control drug prices.”