



January 22, 2016

Congressman Jason Chaffetz, Chair  
Congressman Elijah Cummings, Ranking Member  
House Committee on Oversight & Government Reform  
U.S. House of Representatives  
Washington, DC

Re: Developments in the Prescription Drug Market – Oversight

Dear Chairman Chaffetz and Ranking Member Cummings:

The Fair Pricing Coalition (FPC) commends the House Committee on Oversight & Government Reform for holding a hearing on drug price increases for older, off-patent medications. Founded by the late Martin Delaney of Project Inform, FPC is a national coalition of activists who work on HIV and viral hepatitis drug pricing issues, and to help control drug costs for patients who are privately insured, underinsured and uninsured. The FPC also works to ensure access for individuals covered by state AIDS Drug Assistance Programs (ADAPs), Medicare, and Medicaid.

FPC members have been actively engaged in challenging Turing Pharmaceuticals on the exorbitant price increase the company enacted for pyrimethamine upon acquiring this lifesaving medication in August 2015. An FPC letter to Turing's new interim CEO submitted at the end of December 2015 urging the company to return pyrimethamine to its original \$13.50 per pill has gone unacknowledged, with no action taken. We hope the committee's hearing leads to policy actions that prevent companies from having free rein in pricing older drugs with little or no competition.

### **Prices for HIV Treatment Continue to Rise**

As the committee examines unjustified price increases for older medications, we also urge investigation of HIV antiretroviral (ARV) and hepatitis C virus (HCV) direct-acting antiviral (DAA) costs. In 2016, we are already seeing exorbitant price increases for some of the antiretrovirals most frequently prescribed. The trend in price increases for ARVs is unsustainable and will continue to hinder patient access to life-saving HIV treatment and prevention, as well as curative hepatitis C regimens. In letters to industry executives in December, the FPC urged all major manufacturers to refrain from enacting price increases in 2016 or at a minimum to limit increases to the medical Consumer Price Index (CPI) measure of medical inflation.

On average, the WAC prices for antiretrovirals increased in the range of 7 to 8 percent despite already being priced at the upper limit of any conceivable justification (see attached table). While the January 2016 CPIs have not yet been announced, the 2016 WAC increases for leading antiretrovirals are approximately three times higher than the ten-year CPI average of 2.5 percent. They are also higher than all medical CPI categories, which average 2 to 3 percent and are driven in part by unrestrained drug pricing.

## High Drug Prices Creating Barriers to Treatment

High drug prices have led to the increased use of specialty tiers that require consumers to pay a percentage of the drug's cost, and HIV antiretrovirals and the new HCV DAAs are frequently placed on the highest cost sharing or specialty tiers.<sup>1 2</sup> These practices have a greater impact on individuals in fair or poor health. Those who rely on four or more medications – which is not uncommon for people living with HIV – are more likely to skip doses due to cost.<sup>3</sup>

HIV care providers also report an uptick in Medicaid and private plans requiring prior authorization for antiretroviral drugs, particularly for preferred standard-of-care single tablet regimens. Most concerning are provider reports that some insurance coverage requests are being denied outright. While denials are presently rare, it is disturbing that people living with HIV may not have access to the treatment recommended by their physician.

Egregious drug pricing has also resulted in a clear inability of people living with hepatitis C to access the DAAs available from Gilead Sciences, Bristol Myers-Squibb, Janssen Therapeutics, and AbbVie that achieve as much as a 99% cure rate with minimal side effects. Many health plans, both public and private, have instituted treatment utilization policies and prior authorization processes that are based on cost-containment concerns, rather than on the best and most current clinical science. Nowhere is this more apparent than in state Medicaid programs, many of which cover DAAs only for patients with advanced fibrosis or cirrhosis, contrary to published guidelines. Many of these programs also have policies that deny curative therapy to people who use drugs or alcohol, despite guidelines and clinical evidence that this population should be prioritized for treatment, both for their personal health and to prevent ongoing transmission of the virus. We have the tools to end the HCV epidemic, but current pricing of the best new DAAs and concomitant treatment access restrictions make this goal impossible.

We appreciate the Committee's attention to drug pricing. FPC looks forward to working with policymakers on solutions that ensure lifesaving medications – both old and new – are accessible and affordable for those who need them. Please contact the FPC co-chairs Lynda Dee at [Lyndamdee@aol.com](mailto:Lyndamdee@aol.com) or Murray Penner at [mpenner@nastad.org](mailto:mpenner@nastad.org) if we can be of assistance.

Respectfully submitted,

The Fair Pricing Coalition

cc: Kelly Christl, Congressional Staffer  
Brian Lattanzi, Congressional Staffer  
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<sup>1</sup> Avalere. Patient Access to HIV Drugs in the Exchange Plans Is Limited Compared to Other Sources of Coverage. November 2015. Online at: [http://avalere-health-production.s3.amazonaws.com/uploads/pdfs/1447260444\\_20151111\\_HIV\\_Rx\\_Access\\_Release.pdf](http://avalere-health-production.s3.amazonaws.com/uploads/pdfs/1447260444_20151111_HIV_Rx_Access_Release.pdf)

<sup>2</sup> Kaiser Family Foundation. Medicare Part D in Its Ninth Year: The 2014 Marketplace and Key Trends, 2006-2014, August 2014. Online at <http://files.kff.org/attachment/medicare-part-d-in-its-ninth-year-the-2014-marketplace-and-key-trends-2006-2014-report>.

<sup>3</sup> Drew Altman. *How High Drug Prices Weigh on the Sickest Americans*. The Wall Street Journal. December 28, 2015, Online at: <http://blogs.wsj.com/washwire/2015/12/28/how-high-drug-prices-weigh-on-the-sickest-americans/>.

## WAC Price Increases for Antiretroviral Drug Products

Company	Product	2016	2015	Since Approval
<b>Abbvie</b>	Kaletra	6.9%	5.9%	70.2%
	Norvir	0%	0%	477%
<b>BMS</b>	Reyataz	7.9%	7.9%	108.4%
	Evotaz	7.9%	Launch	7.9%
	Sustiva	7.9%	9.7%	188.5%
<b>Gilead</b>	Atripla	8.0%	7.1%	106.6%
	Truvada	6.9%	6.9%	125.3%
	Complera	6.9%	6.9%	38.1%
	Stribild	4.9%	4.9%	15.4%
<b>Janssen</b>	Intelence	7.9%	7.9%	66.7%
	Prezista	7.9%	7.9%	81%
	Prezcobix	7.9%	Launch	7.9%
<b>Merck</b>	Isentress	6.9%	4.9%	58.9%
<b>ViiV</b>	Epzicom	Pending	6.9%	+89.9%
	Selzentry	Pending	6.9%	+39.4%
	Tivicay	Pending	6.9%	+12.1%
	Triumeq	Pending	3.9%	+3.9%