

# FRIDAY ALERT



**Alliance for Retired Americans**

815 16th Street, NW, Fourth Floor • Washington, DC 20006 • 202.637.5399  
[www.retiredamericans.org](http://www.retiredamericans.org) • [aracommunications@retiredamericans.org](mailto:aracommunications@retiredamericans.org)

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## **Drug Price Spikes Are Hurting Consumers and Medical Providers, Senators Told**

The Senate Special Committee on Aging held a hearing on off-patent drug price spikes on Wednesday. Witnesses provided insight into the causes of these price hikes and the effects on patients' access to critical medications. Overall, Americans spent \$374 billion on prescription drugs last year.

Senators from both parties singled out two companies in particular, Valeant Pharmaceuticals International Inc. and Turing Pharmaceuticals AG. Both have come under fire this year for buying old patented drugs and rapidly raising their prices to increase short-term profits. The market for many of these drugs is so small, there are few incentives for competitors to produce an alternative. As a result, people with chronic conditions who need them the most only have one option.

**Dr. Erin Fox**, Director of the Drug Information Service at University of Utah Health Care, told the committee what happened when the price of isoproterenol hydrochloride, a life-saving drug that many cardiac arrest patients depend on, increased from \$50 a vial to \$2,700 in just over a year. This drug price increase would have driven the network's annual costs for the drug to \$1.6 million, far more than could be recouped from patients' health insurance plans. To control costs, the hospital pulled isoproterenol off the "crash carts" used to treat urgent cases.

Though not present at the hearing, Turing Pharmaceuticals CEO **Martin Shkreli** was criticized repeatedly by **Sen. Claire McCaskill** (D-MO) after his company drastically increased the price of Daraprim, a drug used to treat AIDS and malaria. Turing purchased the rights to the 62-year-old drug in 2015 and raised the drug's price from \$13.50 per pill to \$750. Today, the average cost of a single course of the drug can run as high as \$50,000, according to witness testimony.

"It's greed. There is just no other explanation for it," said **Robert Roach, Jr.**, President of the Alliance. "Greed and lack of compassion for our seniors and other Americans who need these drugs. We must demand that Congress protect our interests here, not those of the drug company executives."

The committee also explored possible policy solutions to address the issue. **Dr. Gerard Anderson** of Johns Hopkins University suggested allowing patients to import specialty drugs from Canada, where they are often available for much less than in the United States. He also proposed that Congress create more price transparency in the drug market by opening the Average Manufacturers Price database up to the public.

## **Take Action and Tell Congress to Put the Public Interest Ahead of Corporate Profits**

Too many pharmaceutical companies are drastically raising the prices of their prescription drugs and raking in billions in profit. And these excessive profits come at the expense of public health. Just last year 35 million people did not fill a prescription because they could not afford it.

**[Tell Congress enough is enough! It is time to hold the pharmaceutical industry accountable. These companies cannot be allowed to rake in billions in profits while price gouging our nation's most vulnerable.](#)**

At a time when retirees are struggling to meet their out-of-pocket health care costs, Congress is doing nothing to address the financial abuses of the pharmaceutical industry. Big Pharma will do anything to protect its profits. In fact, Pfizer, the largest pharmaceutical company in the world, is merging with an overseas company and moving their headquarters overseas to avoid taxes on their \$148 billion in profits.

“The pharmaceutical industry has spent millions to influence Congress. We need your help to combat them. Please take action and tell Congress to put public interest ahead of corporate profits,” said **Richard Fiesta**, Executive Director of the Alliance.

### **End of Life Decisions: Medicare Will Cover Discussions**

[A September 2015 Kaiser study](#) showed that 89% of Americans surveyed support the idea that doctors should have end of life discussions with their patients. Further, 81% also believed that Medicare should cover those discussions. When Centers for Medicare and Medicaid Services officials announced in October that they would begin paying medical practitioners to have these conversations with their patients in 2016, the announcement met little to no opposition. This was a far cry from just a few years ago.

During the debate over the Affordable Care Act (ACA), GOP concerns over supposed “death panels” were so intense that provisions to cover consultation on end of life issues such as living wills, advanced directives, and end of life care were removed. Unfortunately, many Americans are still uncomfortable having end of life discussions with their doctor. Kaiser found that [only 17% of Americans have had an end of life discussion](#) with their physician.

Starting in 2016 Medicare will provide \$86 for an initial half hour in-office consultation and \$75 for an additional 30 minutes. If necessary, it will also pay for additional discussions. With these Medicare changes, the hope is that more doctors and patients will have these discussions. End of life discussions are important to ensure your end of life wishes are fulfilled. [Here are a few tips to consider:](#)

- Create a living will and ensure it remains up to date.
- Name a health care proxy.
- Assign a health care power of attorney

“Tell your family your wishes when you are able to make sound decisions, so that they know your preferences later,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance.

### **Come to the Alliance's 2016 Western Regional Conference**

The Alliance's quadrennial Western Regional Conference will be held March 8 – 9, 2016 at the Tropicana Hotel in Las Vegas, Nevada. During the conference we will elect four regional board members and prepare for the upcoming 2016 elections. More information is available [online](#) or contact **Joni Jones** at [jjones@retiredamericans.org](mailto:jjones@retiredamericans.org) or 202-637-5377.