

FRIDAY ALERT



Alliance for Retired Americans

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Drug Corporations Fail to Justify Prescription Drug Prices at Senate Hearing

Seven pharmaceutical corporation executives testified before the Senate Finance Committee on Tuesday about the high cost of prescription drugs in the United States. [They could not](#), however, explain why prices were so much more expensive in the United States compared to other developed countries, instead offering excuses and “solutions” that did everything but lower costs for the consumer.

The executives largely [justified the prices](#), claiming that prices reflected investment in research and development, patents and marketing costs. **Richard Gonzalez** -- CEO of AbbVie, which produces the arthritis and Crohn’s disease medication Humira -- denied that the drug’s 130 patents prevented the development of a generic option. Sen. **John Cornyn** (TX) disputed the claim at length.



Sen. Wyden

At one point Mr. Gonzalez acknowledged that the United States has some of the highest prices in the world.

Sen. **Ron Wyden** (OR), the ranking member on the committee, then asked, “How is that not gouging American consumers with high prices?”

One particularly outrageous statement was made by **Kenneth Frazier**, chief executive of Merck. He said that prices were lower in Europe because walking away from negotiations with those countries would be “immoral,” leaving patients there without access to medications. The statement was part of a [revelation](#) that charging Americans more for the same products is baked into their companies’ pricing systems.

Cutting prices would sacrifice industry innovation, claimed Frazier, and government price controls simply wouldn’t do enough, according to Sanofi CEO **Olivier Brandicourt**. Committee Chairman **Chuck Grassley** (IA) promised that Congress would respond to the drug price problem in an “effective way.”

“Drug corporation executives proved that they have zero qualms about outrageously over-charging Americans,” said **Robert Roach, Jr.**, President of the Alliance. “We urge Congress to make good on their promise to help retirees and all Americans by making medicines more accessible. We can start by allowing Medicare to negotiate prices.”

A Kaiser Family Foundation [poll](#) out today shows large majorities of Americans from both major parties support steps to control prescription drug costs such as removing barriers to generics and allowing patients to get less expensive drugs from Canada. By a 9-to-1 ratio, Republicans, Democrats and independents favor making drug companies show list prices in their advertising.

Petition: Tell Your Representatives to Keep their Promise to Lower Prescription Drug Prices

“We are only two months into 2019, and prescription drug prices have already increased at [three times](#) the rate of inflation this year,” said **Richard Fiesta**, Executive Director of the Alliance. “Drug corporations will not put patients ahead of profits unless they are forced to -- and they are spending millions to try to influence Congress to do nothing.”

Members of Congress repeatedly pledged to take action to lower drug prices. We need to hold them to their commitments and tell them it is time to take decisive action. [Sign this petition to urge your representatives to take steps to lower prescription drug prices](#). Americans shouldn't have to wait any longer.

Alliance Members Continue to Meet with Members of Congress



Alliance members continued their lobbying meetings this week with Members of Congress. Pictured, left: South Florida Alliance Members Lorenzo Canizares (far left, CWA) and Sandy Leo (NALC), with Rep. Debbie Mucarsel-Powell (FL) in the middle; right: Michigan Alliance President Dick Long (UAW) and member Jay McMurrin (far right, USW) with Rep. Dan Kildee (MI) between them.

More States Exploring Medicaid Buy-in Plans to Expand Coverage to More People

Several states are considering adopting [Medicaid buy-in plans](#) which would provide government-sponsored health care options that are more affordable for their residents. Two identical bills made their way to the floor of the New Mexico State House and Senate. Supporters say the plan would [cut costs](#) for both beneficiaries and the state.

In early February, several dozen families [testified](#) in front of the New Mexico House Health and Human Services Committee in support of the “Medicaid Buy-in Act.” Many recounted personal stories of huge hospital bills or being unable to get coverage because they made too much to qualify for Medicaid, but too little to afford private insurance. Experts say a buy-in program would help [close the coverage gap](#) for New Mexico’s residents.

At least ten states, including Washington and Colorado, are also exploring Medicaid buy-in plans. Nevada’s legislature passed a [similar measure](#) last year, but it was vetoed by Gov. **Brian Sandoval**. Minnesota researchers found that 70% of likely voters supported such a measure during the November midterms.

“These plans can help ease the burden on thousands of Americans who are otherwise being crushed by mounting health costs caused by high prescription drug prices and expensive medical procedures,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance.

Older African-Americans Often Face a Unique Confluence of Health and Financial Trouble

It has long been understood that without expanding Social Security and taking additional steps, Americans will face a retirement crisis -- but that prospect is even more serious for black Americans.

[USA Today reports](#) that black Americans, and non-Caucasians as a whole, are [increasingly unable](#) to afford healthcare and are forced to dip into their already low savings to pay for medication and procedures. Often chronic diseases require black workers to take disability or early Social Security payments, decreasing their earned benefit income later and putting a secure retirement at risk.

“Black Americans are facing unacceptable levels of hardship in their later working years because of widening wealth and pay gaps. It is time we start looking for unique solutions to address the unique problems older African-Americans face in the United States,” said **President Roach**. “The 2017 tax scam, a giveaway to millionaires, billionaires, and highly profitable corporations, sent us in the wrong direction.”

Alliance Executive Vice President Jo Etta Brown Speaks at Black History Month Gala

Alliance Executive Vice President **Jo Etta Brown** provided an overview Wednesday of Nevada's black history, including some little-known facts about notable African-Americans in the Silver State's storied past, at the Democratic Men's Committee Black History Celebration in Carson City. Her educational talk complemented a presentation of the Men's Committee's Golden Bow Tie Award saluting state Attorney General **Aaron Ford's** lifetime of achievement as a father, lawyer, distinguished lawmaker and Nevada's first-ever African American constitutional office holder.