

Testimony to the Senate Special Committee on Aging Hearing:
Affordable Prescriptions Now: Examining Legislation to Lower Costs for Seniors
Statement of Liz Ernst, State Director, Protect Our Care Georgia

Senator Warnock, thank you for your leadership and for inviting Protect Our Care to submit testimony on the importance of lowering prescription drug costs for our seniors.

Seniors are at the center of America's drug pricing crisis. As many as one in four seniors nationwide struggle to afford prescription drugs, with higher rates among more vulnerable groups, including low-income, people of color, and those in poor health.¹

Yolande H. is a 70 year old diabetic living in Albany, Georgia. As she is in the Medicare "donut hole", she is charged \$300 for each of her three diabetes medications—that's \$900 a month for a senior who lives solely on her Social Security income. She rations her life-saving medicines so she can eat or pay other living expenses. As a result, she's experienced vision loss, kidney compromise, and painful neuropathy.

Unfortunately, Yolande isn't alone. In 2017, 32 percent of Georgia residents reported that they stopped taking medication as prescribed due to cost.²

Every day, drugmakers exploit our broken health care system by hiking the prices of life saving medicines in order to make record breaking profits. Between 2019 and 2020, half of all drugs covered by Medicare Part D had price increases equal to or greater than the rate of inflation.³ A 2020 congressional report traced the steep price hikes of the cancer drug Revlimid to the desire of executives to "meet company revenue targets and shareholder earnings goals."⁴ In Georgia, Revlimid's price rose 44 percent from 2015 to 2020.⁵

¹ Ashley Kirzinger, Tricia Neuman, Juliette Cubanski, Mollyann Brodie, "Data Note: Prescription Drugs and Older Adults," KFF (August 9, 2019), accessed on June 28, 2022, <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

² "How Georgia Residents Are Impacted By High Rx Costs," AARP (2021), accessed on June 28, 2022, <https://www.aarp.org/content/dam/aarp/politics/advocacy/2019/09/rx-state-infographic-three-issues-georgia.pdf>.

³ Juliette Cubanski, Tricia Neuman, "Prices Increased Faster Than Inflation for Half of All Drugs Covered by Medicare in 2020," KFF (February 25, 2022), accessed on June 28, 2022, <https://www.kff.org/medicare/issue-brief/price-increases-continue-to-outpace-inflation-for-many-medicare-part-d-drugs/>

⁴ U.S. Congress, House, Committee on Oversight and Reform, *Drug Pricing Investigation, Celgene and Bristol Myers Squibb-Revlimid*. 116th Cong. H.R. rpt. No.116-122, at i (2020) (staff report), accessed June 28, 2022, <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Celgene%20BMS%20Staff%20Report%2009-30-2020.pdf>

⁵ Leigh Purvis, Stephen W. Schondelmeyer, "Rx PriceWatch Reports," AARP Public Policy Institute, accessed June 28, 2022, <https://doi.org/10.26419/ppi.00073.000>.

This extraordinary corporate greed has serious consequences for our nation's public health. A recent study found that increasing out-of-pocket drug costs by only \$10 dollars created a 33 percent increase in mortality, due to a decrease in medication accessibility.⁶

This is the distressing choice Eustacia M. from Marietta, Georgia is all too familiar with. Eustacia is a 64 year old, retired Air Force veteran, who struggles not only with her own high prescription drug costs not covered by her VA plan but also for her 80 year old mother, who is on Medicare. When her mother's drug costs increase, Eustacia and her sisters pool their money to pay for them. She worries about what will happen as both her and her mother's drug costs continue to rise when they are both on fixed incomes.

It's a cruel game Georgia seniors and their families are forced to play — all as a result of corporate greed. Yet, research shows that drug companies could lose \$1 trillion in sales and still be the most profitable industry.⁷

Sky rocketing prescription drug prices are affecting all Georgians, not just seniors. In recent years, Georgia residents and their insurers have spent more on prescription drugs and for out-of-pocket medicines than most states in the U.S..⁸ We have also seen massive increases in prescription drug spending under Medicare and Medicaid.⁹ Not only are Georgia taxpayers bearing these price hikes, these high costs are also passed along to everyone with health insurance through increased premiums, deductibles and the like. Simply put, every single Georgian is paying for high prescription drug prices, regardless of who is taking the medications.

The problem is only going to get worse without intervention. The policies Senator Warnock is championing will provide immediate relief to all Americans. Under his *Affordable Insulin Now Act*, which caps patients' out-of-pocket insulin costs at \$35 a month under Medicare and private plans, seniors like Yolande would be able to afford her life saving medications without compromising a basic quality of life. By reducing out-of-pocket costs under Medicare Part D through Senator Warnock's *Capping Drug Costs for Seniors Act*, families like Eustacia's would not have to face the possibility of making the choice of which family members can remain healthy and which ones can't. Coupled with his *Medicaid Saves Lives Act* and the Medicare drug pricing negotiation proposals before the Senate, these critical bills attack the root of the problem: the high prices set by the pharmaceutical industry.

⁶Amitabh Chandra, Evan Flack, and Ziad Obermeyer, "The Health Costs of Cost-Sharing," National Bureau of Economic Research (February 2021), accessed June 28, 2022, <https://doi.org/10.3386/w28439>.

⁷ Jeromie Ballreich, Sean Dickson, "How Much Can Pharma Lose?: A Comparison of Returns Between Pharmaceutical and Other Industries", West Health Policy Center (2019), 10, accessed June 28, 2022, https://s8637.pcdn.co/wp-content/uploads/2019/11/WHPC_White-Paper_How-Much-Can-Pharma-Lose_FINAL-November-2019.pdf.

⁸ Beau Evans, "The Staggering Cost of Prescription Drugs in Georgia," *State Affairs*, August 24, 2021, accessed June 28, 2022, <https://stateaffairs.com/GA/44-the-staggering-cost-of-prescription-drugs-in-georgia>.

⁹ Ibid.

Americans are sick and tired of paying three times the amount that people in other countries pay for the same drugs. As the country recovers from the economic and health crisis brought about by the COVID-19 pandemic, American families can no longer afford to wait. We ask that Congress seize the opportunity to lower prescription drug prices through these popular policies. The time for fair, affordable drug prices is now.