



**Testimony of**

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**On behalf of**

**CONSUMERS UNION**

**Before the  
Senate Special Aging Committee  
on  
Reducing Medicare Drug Costs**

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Thank you Chairman Kohl and Ranking Member Corker for the opportunity to testify in front of your Committee today.

Consumers Union, the non-profit publisher of Consumer Reports magazine, has a long history of advocating for improving health care and lowering the cost of drugs for consumers. Our print and online publications also have a long history of helping consumers navigate and understand the complex world of health care. CR's information is regularly made available to up to 10 million subscribers via our numerous media products, including *Consumer Reports* magazine, ConsumerReports.org website, and *ShopSmart* magazine, and to nearly 20 million viewers of our syndicated television news segments from CRTV.

Our popular *Best Buy Drugs* reports reach 100,000 readers per month and provide rigorous, evidence-based, comparative information on a range of commonly used drugs through our websites. We do not accept advertising, relying only on paid subscribers, donors and some grants. Consumer Reports also provides access to *Best Buy Drugs* free of charge.

*Best Buy Drugs* reports rely on the credible systematic reviews of available clinical evidence conducted by expert researchers at the Drug Effectiveness Review Project, based at Oregon Health & Science University (OHSU). The DERP analyzes hundreds of studies on a given class of drugs to treat a condition. We use price information from a leading health care data and analytics company. Consumer Reports writers and editors then translate the clinical evidence for our readers and present it in the consumer friendly language and format that is a hallmark of our organization. As part of that, we select specific medications as "Best Buys." To earn that designation a drug must generally be at least as effective and safe as other medications in its class and less expensive. However, if the data show that a brand name drug is notably safer or works better than a lower-cost medicine, the drug is deemed a CR *Best Buy Drug*.

The goal of our *Best Buy Drugs* program is to help doctors and patients base treatment decisions on independent and unbiased scientific evidence. Our free reports cover 25 classes of drugs for more than 35 conditions, including allergies, diabetes, high blood pressure, high cholesterol, and muscle pain. Over the years, CR has frequently recommended lower cost generics or lower cost brand alternatives where the research indicates it is as effective. CR has done so for cholesterol-lowering drugs, certain pain medications, diabetes and heartburn drugs.

Consumers Union believes generics are safe and effective and their use can save consumers money. Below are some specific examples from *Best Buy Drugs* which illustrate savings that can be achieved by using generic alternatives.

Cholesterol lowering drugs, one of the most common medications, is a prime area where Consumer Reports has found lower cost drugs to be as effective and as safe as more expensive brand name drugs. While CR recommends the brand drug Lipitor for those who have had a heart attack and require very substantial lowering of their LDL

cholesterol levels, many consumers take this type of medication for preventive reasons: they haven't yet had a heart attack. For these millions of Americans, generic Lovastatin is as effective, just as safe, and considerably less expensive. For example, a daily dose of Lipitor would cost an individual without insurance \$112 per month compared to \$4 per month for Lovastatin. And these savings can be achieved without compromising the safety and efficacy of treatment.

Diabetes medication is another area where our organization has found low cost alternatives to be effective and safe. An older diabetes drug, generic Metformin, is our Best Buy recommendation: it works better than all other diabetes medications, and at \$4 a month, is a bargain compared to the pricey brand drug Actos, which can set consumers back by up to \$280 a month. Metformin is also the safest—newer medications Actos and Avandia both carry a higher risk of increased heart failure. Avandia was severely restricted by the FDA last year when it was linked to a higher risk of heart attack and stroke, proving that you don't always get what you pay for when it comes to drugs.

Proton Pump inhibitors for heartburn are yet another example of a class of drugs where CR has consistently recommended an older, less expensive generic drug that is as safe and effective as brand name drugs. For instance, the highly advertised and expensive drug Nexium also known as “the purple pill”—can cost up to 10 times as much for a month's supply over the Consumer Reports Best Buy Drug, omeprazole—which you can get over-the-counter for just a few dollars.

Finally, when it comes to pain medications, CR has reported that simple, low cost, over-the-counter medications such as naproxen (the generic version of Aleve) and ibuprofen (the generic version of Advil)—already in most families' medicine cabinets—work as effectively as more expensive and heavily advertised Celebrex for short term pain relief due to arthritis. A daily dose of these medications run a few dollars a month compared to \$139 a month for Celebrex.

These real life examples show how effective and safe generic drugs are and how they can save consumers precious dollars. Our organization strongly believes that Congress should pursue policies that improve access to generic drugs.

One way to do this is to enact Senator Kohl's and Senator Grassleys bipartisan legislation that would end collusion between brand and generic companies to delay generic competition. As you know, one example of this tactic is for brand companies to pay generics to delay entry into the market in exchange for the brand manufacturer delaying the entry of their own “authorized generic.” According to the FTC, such “agreements with compensation from the brand to the generic on average prohibit generic entry for nearly 17 months longer than agreements without payments...” The CBO and the FTC estimate these agreements wind up needlessly costing Americans billions of dollars.

In addition to promoting generics, we would urge Congress to reform Medicare and Medicaid payment processes to incorporate evidence about the safety and efficacy of drugs. For example, Congress could consider legislation to allow Medicare to use

reference pricing where strong evidence of clinical comparability exists using evidence from rigorous, systematic comparative reviews of drug classes. Congress might also create incentives to make sure that Part D and state Medicaid formularies carry the generic as a preferred drug when there is strong evidence of comparability. Of course, doctors must always have the ability to specify the brand alternative when it is best for the patient.

Congress should also act to improve the way pharmaceutical companies convey safety and efficacy information to consumers so that they can better understand and use available clinical evidence to make choices about their treatment. A recent Consumer Reports investigative report that compared prescriptions filled for the well-known blood thinner drug, Warfarin (Coumadin is the brand-name) uncovered dangerous findings. Critical drug warning information was missing from several bottles; important patient information materials included with the prescription, which had instructions on proper use, were nearly unreadable—filled with medical jargon and printed in impossibly small type. And incredibly, four of five pharmacies failed to send Consumer Reports secret shoppers home with mandated FDA Medication Guides for this potentially dangerous medication. To remedy problems such as the ones uncovered by CR, Congress should consider creating consumer friendly standards for Patient Medication Information such as package inserts and package labeling. Further, CU has long advocated for the development of a Drug Fact Box so that patients can more easily assess the benefits and risks of drugs.

In conclusion, consumers should have reliable, trustworthy information about drugs readily available to them. This will help them make safe, cost effective decisions about their own health and that of their families. Consumers Union appreciates the efforts of this Committee and the leadership of Senator Kohl on drug costs, and we look forward to continuing to work with you on this important matter.