

Chair Collins, Ranking member Casey, and members of the committee — thank you for having me.

My name is Sheldon Armus. I'm 71 years old and live in a senior community in Boynton Beach Florida. I am a constituent of Senators Rick Scott and Marco Rubio, members of this committee.

I spent the first 35 years of my career working in the health care industry. I started as a young pharmaceutical sales representative, and I worked my way up to management for several companies, including manufacturers of medical devices.

Before retiring in 2014, I owned my own medical device company and worked as a science teacher for 10 years.

One month into retirement, I underwent a quadruple cardiac bypass operation — a surgery that saved my life. However, the surgery, as well as my diabetes and cardiac conditions left me taking seven different drugs each day.

All of these drugs keep me alive, and I'm very thankful for their existence.

However, they also have proven to be a real financial burden.

Xarelto is one of my drugs; it is a blood-thinner that prevents dangerous blood clots that can lead to heart attacks. It is a new and expensive drug with a list price of more than \$450 for a 30 day supply! It is outrageous.

You've probably heard of Xarelto because it is heavily advertised to consumers on TV. Janssen Pharmaceuticals, the company that makes Xarelto has promised to start disclosing the list price of its medications on those ads.

But that wouldn't make a difference for patients like me. There isn't a generic on the market I could turn to instead.

I am lucky to be on Medicare Part D, where I pay only a portion of that price. But it is still too much.

Before Congress closed the donut hole, I would fear the month my out of pocket costs would spike. Because of fluctuations of the list price, I never knew when I would hit the donut hole threshold. At some point I would go to the pharmacy to pick up my prescriptions and discover that they all cost more than the month before.

Sometimes I would have to wait a few days until my Social Security check arrived in order to be able to afford it.

It was always a shock to my system.

Something must be done. Drug prices are out of control — I am grateful that the donut hole has been closed for patients, but it doesn't solve the problem of high list prices. I struggle to afford my drugs with Medicare Part D coverage but I feel even worse for those without coverage who must pay list prices directly.

Patients and taxpayers still pay for a percentage of the list price; therefore, it is in the best interest of the pharmaceutical companies to inflate the list price.

I know because when I worked in the industry, I attended meetings in which maintaining and increasing high list prices was discussed and encouraged.

Pharmaceutical Reps as well as the public are told that the high drug prices are due to the high cost of research and development. However, according to the Washington Post¹, 9 out of 10 big pharmaceutical companies spend more on marketing than on research.

At one time, I was proud to have worked in the pharmaceutical industry. But now, being a patient, I no longer feel that way. In fact, I'm embarrassed to tell my fellow seniors of my past work experience.

I am grateful to the Committee for holding this hearing and delving into the issue of high drug prices. The issue starts at the top with high list prices set by drug companies, but it ends at the bottom, with us, patients just trying to continue to live our lives.

Thank you for your time.

¹https://www.washingtonpost.com/news/wonk/wp/2015/02/11/big-pharmaceutical-companies-are-spending-far-more-on-marketing-than-research/?utm_term=.c7e754c8211c