



George M. Abraham, MD, MPH, FACP
Governor, ACP

Lynda D. Layer, CAE
Chapter Administrator, ACP

MASSACHUSETTS CHAPTER

November 7, 2017

Dear Senator,

On behalf of the Massachusetts Chapter of the American College of Physicians (ACP), we write to urge you to take action to address the issue of rising prescription drug costs. Our chapter represents 4,000 physicians across Massachusetts and we are the largest medical specialty organization with 152,000 members worldwide.

The impact of prescription drug costs cannot be understated as 7 out of 10 Americans take at least 1 prescription drug. Escalating prescription drug costs have taken a toll on our patients across the Commonwealth.

A common and old inhaler called albuterol is used to treat asthma, a disease that affects 1 in 12 Americans and the rate of new cases of asthma is on the rise. Albuterol's cost has increased from \$15 less than a decade ago to \$50-100 even with insurance. My patient with poorly controlled asthma limits the number of times she uses her inhaler in order to save money, which precipitates an asthma attack warranting an office visit and a few weeks later, she needs to be admitted to the hospital. There are countless stories like these we could tell you, but these are not just stories - they are reality for many of our patients.

We applaud the Senate's efforts to address prescription drug costs through the health care cost containment bill S2202. While it is a step in the right direction, we feel the bill falls short on creating the degree of cost transparency needed to protect our patients from drug price gouging.

The bill asks the pharmaceutical manufacturers to report "net expenditures" on certain drugs but this will obscure the true costs of the drugs as it does not require reporting on costs including production, research and development, marketing, and other expenses. The bill requires the disclosure of "aggregate, company-level research and development expenditures," which again does not increase the transparency of costs involved in a drug.

We ask that you support amendment #19 to this bill, which strengthens the data reporting criteria, increases penalties for failure to report, requires drug manufacturing companies of excessively priced drugs to develop and implement a prescription drug improvement plan, and authorizes the Attorney General to deem excessive drug pricing that fails to conform to the prescription drug improvement plan as "unfair practice." Specifically, this amendment would require reporting of the cost of drug production, research and development costs (including those paid with public funds), marketing and advertising costs, prices charged to purchasers outside the U.S., and annual profit margins.

We hope that you will support amendment #19, which will bolster the important provisions in S2202 aimed at increasing prescription drug cost transparency. We cannot wait any longer to take action – our patients are suffering.

Sincerely,

A handwritten signature in black ink that reads 'George M. Abraham'.

George M. Abraham, MD, MPH, FACP, FIDSA, Governor, MA Chapter of the ACP

Elisa Choi, MD, FACP, Governor-Elect, MA Chapter of the ACP

Zoe Tseng, MD, FACP, Co-Chair, Health and Public Policy Committee, MA Chapter of the ACP