

February 3, 2018

Oregon House Health Care Committee
Oregon State House of Representatives

Re: HB 4005: Prescription Drug Price Transparency Act

Dear Committee Members:

I am a neurologist who specializes in the care of Oregonians with the disabling disease, multiple sclerosis (MS). I have over 30 years of experience practicing neurology in Oregon. I am writing to urge passage of HB 4005 as it is the only way to hold the pharmaceutical companies responsible for explaining unreasonable drug pricing.

Since 2002 we have seen the number of FDA approved drugs to treat MS rise from 3 to 17. During this time prices of all MS drugs, even those which have been available since the mid-1990s, have skyrocketed, regardless of how long they have been on the market and how effective they are. Since 2002 the average price of MS drugs has risen from ~\$10,000 per year to ~\$80,000 per year and we have seen annual increases in prices of 10-20% per year for MS drugs. Free market forces have failed to control these price increases as competition has actually driven prices up. Moreover, how pricing decisions are made is not transparent and pharmaceutical companies refuse to act responsibly in decisions about drug prices. These price increases impact people with MS who must take these medications year after year as they are not curative and many people cannot afford the co-pay costs and therefore can receive the medication they need.

The price increases we have seen for MS drugs is not unique. The prices of many specialty pharmacy drugs for a variety of illnesses have undergone similar dramatic and unexplained annual increases. We are also seeing generic drugs come on the market with similarly high prices. For instance, in the case of MS, two generic versions of the MS drug Copaxone cost ~\$65,000 a year; this is somewhat less than Copaxone but still a staggering annual cost.

Since market forces are not mitigating price increases, I believe it is appropriate and necessary for government to take action. The modest measures being proposed through HB 4005 are designed to shed light on the pricing practices of pharmaceutical companies. I believe by requiring manufacturers to provide information when prices exceed certain thresholds will act as a break on unfettered price increases. Pharmaceutical companies care about their image and companies will want to avoid the negative attention that will come from the reporting they will be required to make following by unreasonable pricing of their drugs.

I urge your committee to bring HR 4005 to the full House of Representatives for debate and hopefully bipartisan passage.

Sincerely,



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