



Carolyn B. Maloney @RepMaloney Fri Dec 10 14:05:01 +0000 2021

For nearly 3 years a dedicated team of staff on @OversightDems has been investigating Big Pharma's pricing and business practices.

Today we're releasing our final report. Everything you need to know about how Big Pharma abuses our system for profit at the expense of patients■

The companies we investigated raised prices 250+ times on the 12 drugs examined during the time they've marketed them.

Those drugs are now priced at a median of almost 500% ■■ than when they came to market.

Mallinckrodt's drug H.P. Acthar is ■■■,■■■%■■■THAN AT LAUNCH 2/

Net prices—prices after accounting for rebates and other discounts—of nearly all of the drugs ■■ year over year.

This data, which hasn't been public before, undermines Big Pharma's claims that price increases are primarily due to, and offset by, rebates and discounts. 3/

Price increases = \$\$\$ for Big Pharma.

The 10 companies generated \$38.5B in U.S. net revenues from the sales of just 12 drugs in 2019 alone.

We found evidence that execs made pricing decisions to meet revenue targets and earnings goals, not for research and development. 4/ <https://t.co/c9JmBjltAh>

Figure 2: Executive Committee Compensation, 2016–2020

Company	Total
AbbVie	\$ 347,697,413
Amgen	\$ 240,436,746
Celgene/BMS*	\$ 260,140,942
Eli Lilly	\$ 234,015,759
Mallinckrodt	\$ 160,784,443
Novartis	\$ 320,585,194
NovoNordisk	\$ 124,812,234
Pfizer	\$ 287,751,046
Sanofi	\$ 60,467,284
Teva	\$ 195,881,480
Total	\$ 2,232,572,540

* Reflects data from Celgene for 2016, 2017, and 2018 and data from Bristol Myers Squibb for 2019 and 2020. Bristol Myers Squibb acquired Celgene in 2019. Calculated using exchange rates from December 31, 2020.

Why is this important?

At least 2 companies, would've missed revenue targets and execs wouldn't have gotten bonuses... had they not■■prices.

@OversightDems found the fmr Celgene CEO received \$500K+ in bonuses in 2016&17 solely because of price■■for cancer drug Revlimid. 6/

We also obtained non-public pricing data revealing that taxpayers could have saved more than \$25B over 5 years for just 7 drugs-if private Medicare Part D plans received the same discounts as other federal health programs that can negotiate, according to our analysis.7/ <https://t.co/wBY05UqU5t>

Figure 3: Lost Medicare Savings for Seven Drugs, 2014–2018

Drug	Medicare Part D Spending ¹¹	Lost Medicare Savings
Lantus	\$ 11,583,098,197	\$ 9,246,511,550
Humira	\$ 10,907,732,233	\$ 6,136,305,246
NovoLog	\$ 3,627,264,339	\$ 2,946,198,492
Enbrel	\$ 6,160,200,000	\$ 2,353,170,600
Lyrica	\$ 7,254,607,375	\$ 1,816,950,556
Imbruvica	\$ 5,071,975,613	\$ 1,695,126,731
Sensipar	\$ 3,664,400,000	\$ 948,124,100
Total	\$ 48,269,277,757	\$ 25,142,387,275

Docs show several companies targeted Medicare to boost revenues. An internal Novo Nordisk slide deck emphasized, “Part D is the most profitable market for the Novo Nordisk insulin portfolio.” 8/

Evidence shows that companies use patent protections and market exclusivities granted by FDA to suppress generic competition and keep prices high.

Just look at this chart ■

A shameful abuse of the system. 9/ <https://t.co/3s1tuZV8Bw>

Figure 4: Patents and Extended Monopoly Periods

Company	Drug	Number of Patents Issued	Potential Years Blocking Competition
AbbVie	Humira	130	39
AbbVie	Imbruvica	88	29
Amgen	Enbrel	39	47.5
Celgene	Revlimid	109	40
Pfizer	Lyrica	69	32
Sanofi	Lantus	49	37
Total:		484	224.5

Every company engaged in 1 or more strategies to suppress competition from generics or biosimilars. 10/

What does this look like? Contracting and marketing strategies like: 11/ <https://t.co/LkXd25rIKW>

- 1 shifting patients to new drugs/formulations just before facing generics for the old formula
- 2 pursuing contracts that condition discounts on excluding generics
- 3 aggressively marketing directly to patients & docs drugs faced generics. 11/

We also uncovered new evidence of “shadow pricing,” where would-be competitors follow each other’s price increases. Internal docs show that the 3 largest insulin makers raised prices in lockstep to maintain “pricing parity.” 12/

Again, just look at the charts ■ <https://t.co/1PYCNBkDex>

Figure 5: Comparison of Rapid-Acting-Insulin Price Increases—Humalog (Eli Lilly) and Novolog (Novo Nordisk), 1996–2018

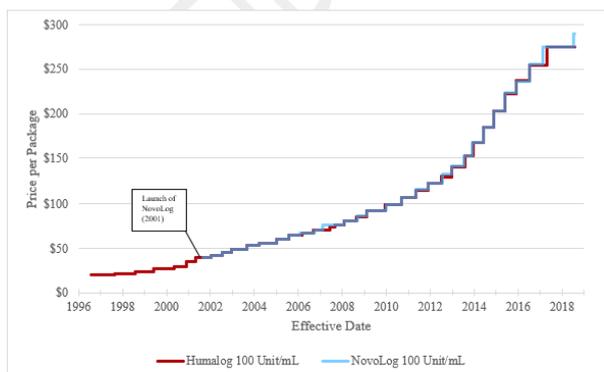
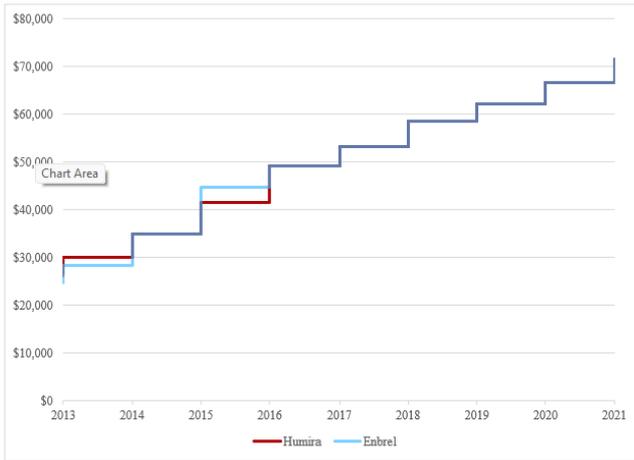
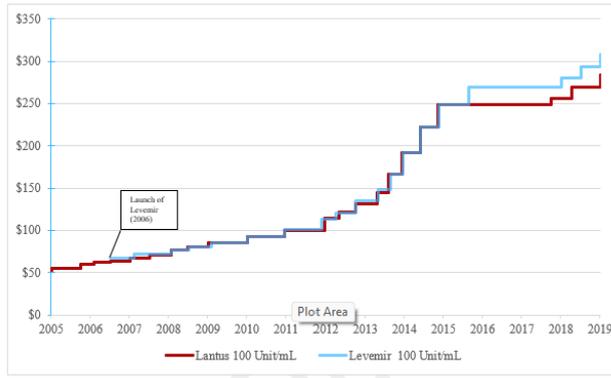


Figure 6: Comparison of Long-Acting-Insulin Price Increases—Lantus (Sanofi) and Levemir (Novo Nordisk), 2005–2019



So how does Big Pharma respond to this criticism?

They point to the generosity of their patient assistance programs.

BUT, new evidence shows that companies emphasized the significant ROI from these programs in the form of increased sales.

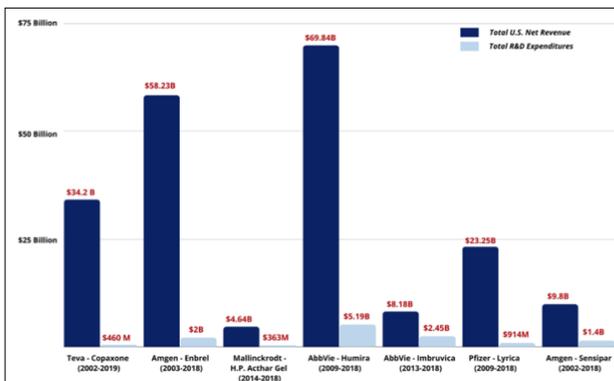
Big Pharma, "help you, help me." 13/

What's more, companies' investments in R&D are far outpaced by revenue gains, and the companies spend more on stock buybacks and dividends than on R&D.

I have an entire thread about this ■ 14/

<https://t.co/tW70aZJ6x8> <https://t.co/CLg5pz0awl>

Figure 8: Comparison of Net Revenue and R&D Expenditures for Seven Drugs



So what can we do about this?

4 VERY BIG THINGS:

