

# U.S. Sen. Baldwin, Colleagues: Call out drug manufacturers for squeezing American families with rapid and widespread price hikes on prescription drugs

Posted on Wednesday, Mar 2, 2022

**>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

*WASHINGTON, D.C.* — U.S. Senator Tammy Baldwin (D-WI) joined a group of bicameral colleagues, led by Senators Elizabeth Warren (D-MA) and Amy Klobuchar (D-MN) and Representatives Katie Porter (D-CA) and Jan Schakowsky (D-IL), in sending a letter to the CEO of the Pharmaceutical Research and Manufacturers of America (PhRMA) expressing concern over findings from two new analyses that reveal troubling, widespread, and rapid price increases for brand name drugs in January 2022. The average price increase of more than 5% for all brand name drugs in January 2022 was almost twice as high as overall inflation for medical care services for all of 2021, and the average price increase of nearly 4% for the 20 top-selling Medicare Part D drugs was almost 1.5 times as high. These price hikes affect the vast majority of popular brand name drugs and hurt consumers dealing with record high prices throughout the economy. The price increases hit older Americans and people with disabilities in the Medicare program especially hard. The price increases for the top 20 Medicare Part D drugs, if also reflected in total expenditures, would increase costs for consumers and taxpayers by an estimated \$2.5 billion. The lawmakers are calling out drug manufacturers for further driving up inflation by abusing their market power and price-gouging American families.

“The large, across-the-board price increases of popular, brand name prescription drugs appear to be an example of pharmaceutical companies taking advantage of their abusive market power to expand already-large profits. And the coordinated

and timely price increases ring of political opportunism,” **the lawmakers wrote.**

Other signers to the letter along with Senators Baldwin, Warren, Klobuchar and Representatives Porter and Schakowsky include Senators Maggie Hassan (D-NH), Bernard Sanders (I-VT), Tina Smith (D-MN.), Sheldon Whitehouse (D-RI), and Ron Wyden (D-OR), and Representatives Peter DeFazio (D-OR), Peter Welch (D-VT), and Susan Wild (D-PA).

One of the analyses by Steve Schondelmeyer of the University of Minnesota PRIME Institute found that drug manufacturers increased prices for 72% of all formulations of the 100 top-selling drugs in January 2022, with a 5.1% average price increase for brand name drug products. A separate analysis provided by Johns Hopkins University researchers revealed that manufacturers increased prices for 16 of the top-selling 20 Medicare Part D drugs in January 2022, by an average of 3.9%. Some drug prices skyrocketed. For example, manufacturers increased the price of Humira, used to treat autoimmune diseases, by 7.4%. The price of a three-month supply of the cancer drug Revlimid increased by nearly \$3,600 in January, and the price of the breast cancer drug Ibrance increased by over \$900.

As Congress considered legislation to lower drug prices last year, PhRMA and lobbyists for big pharmaceutical companies fought against pieces of the legislation aimed at lowering costs for Americans. Provisions in President Biden’s legislative proposal would improve and expand Medicare and Medicaid; allow Medicare to negotiate with drug manufacturers for lower prices; cut costs for older Americans and people with disabilities; and impose new penalties on manufacturers to prevent rapid drug price increases that spike more inflation. But when the legislation stalled in December 2021, so did the threat to pharmaceutical manufacturers’ price gouging practices. The lawmakers slammed drug manufacturers’ almost immediate price hikes at the expense of middle-class families.

“These evaluations suggest rapid price hikes affecting the vast majority of popular brand name drugs, particularly those used by seniors and people with disabilities in the Medicare program. These analyses reveal that drug manufacturers are using their market power to impose extraordinary price increases, which also have the effect of driving up general inflation,” **the lawmakers wrote.** “This behavior by drug manufacturers – which will drive up their already-exorbitant profits at the expense of middle-class families in need of medical care – demands an explanation.”

The lawmakers have requested a response no later than March 8, 2022.

A copy of the letter can be found [here](#).

The John Hopkins University Analysis of January 2022 Price Increases for Top 20 Medicare Drugs is available [here](#).

The Schondelmeyer Analysis of Prescription Drug Price Changes in January 2022 is available [here](#).

An online version of this release is available [here](#).