

Sen. Baldwin: Leads bill to require transparency for skyrocketing drug prices

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WASHINGTON, D.C. – As more families deal with skyrocketing prescription drug prices, U.S. Senators Tammy Baldwin (D-WI) and Mike Braun (R-IN) today introduced the *Fair Accountability and Innovative Research (FAIR) Drug Pricing Act*, bipartisan legislation to require basic transparency for pharmaceutical corporations that increase drug prices.

From July 2021 to July 2022, the price of more than [1,200](#) medications increased greater than inflation—with an average increase of almost four times the inflation rate—and the median annual price of a new drug in 2022 costing [more than \\$222,000](#). In January 2022 alone, drug companies increased prices on over [800](#) different drugs. While big drug companies took in record profits, more than [one quarter](#) of Americans struggle to pay for their prescription medications and over [15 percent](#) of patients report either delaying a refill after running out of medications or rationing medications due to cost.

The *FAIR Drug Pricing Act* would require drug manufacturers to notify the U.S. Department of Health and Human Services (HHS) and submit a transparency and justification report 30 days before they increase the price of drugs that cost at least \$100 by more than ten percent over one year or 25 percent over three years. For drugs that have a list price that is higher than median family income, or \$70,784 in 2021, manufacturers will also be required to submit a transparency and justification report.

“While big pharmaceutical companies are turning record profits, too many Wisconsin families are struggling to afford the cost of prescription drugs, forcing

some to ration or forgo their medication. And when drug prices are jacked up and budgets are stretched thin, there is no systematic transparency for the Americans who are forced to pay more just to access the medications they need to stay healthy,” **said Senator Baldwin.** “This common-sense legislation will provide basic transparency for consumers by requiring pharmaceutical companies to explain to the public why they are raising prices on working families.”

“Transparency is the key to lowering prescription drug prices,” **said Senator Braun.** “The *FAIR Drug Pricing Act* will help push Big Pharma into the right direction by requiring that drug companies notify the HHS Secretary and submit a transparency and justification report before they increase the cost of certain drugs by more than 10 percent over one year or 25 percent over three years.”

The *FAIR Drug Pricing Act* brings basic transparency to the market for prescription drugs that currently does not exist. For the first time, manufacturers will be required to provide information on manufacturing, research and development costs for the qualifying drug; net profits attributable to the qualifying drug; marketing and advertising spending on the qualifying drug; and other information as deemed appropriate. The bill will not prohibit manufacturers from increasing prices, but it will for the first time give taxpayers additional information on how drug prices are initially determined and give notice of price increases. HHS will make all of the information from these reports publicly available within 30 days in an understandable online format, and will submit an annual report to Congress summarizing the information submitted by drug manufacturers.

In addition to Senators Baldwin and Braun, the *FAIR Drug Pricing Act* is also co-sponsored by Senator Tina Smith (D-MN).

The *FAIR Drug Pricing Act* is supported by Marshfield Clinic Health System, Blue Shield of California, the Campaign for Sustainable Rx Pricing, the Alliance of Community Health Plans, AARP, Security Health Plan, and the National MS Society.

“This kind of price transparency is an important step toward holding drug companies accountable for pricing decisions,” **said Bill Sweeney, Senior Vice President of Government Affairs, AARP.** “Patients, providers, and policymakers deserve to know why the price of the drugs continue to increase – which makes it even more difficult for older Americans to afford the medications they need.”

“Senator Baldwin has been a health care champion since day one. For too long,

drug companies had free rein to hike prices year after year with no transparency all while lining the pockets of their CEOs and shareholders,” **said Leslie Dach, Chair of Protect Our Care.** “The *FAIR Drug Pricing Act* fights back against Big Pharma’s greed and is an important step in helping Americans get the medications they need to thrive at a price they can afford. Senator Baldwin is once again showing the American people who’s fighting for them.”

“In 2016 I chose to stop taking my Multiple Sclerosis prescription drug because it was simply unaffordable. The drug was keeping me mobile, but the annual retail cost of \$82,500 was too much for a retired couple on a fixed income. Today, seven years later, the unchanged drug retails for over \$110,000,” **Diane Whitcraft, MS Society Activist and retired educator from Webster, Wisconsin.** “Senator Baldwin & Braun’s *FAIR Drug Pricing Act* will hold pharmaceutical companies accountable and responsible, not just self-serving. Extraordinarily unaffordable medications for most Americans cannot be tolerated. With Senator Baldwin’s bipartisan legislation, no one should have to stop taking prescription drugs because of the price tag.”

“We applaud Senators Baldwin and Braun for reintroducing this market-based solution that will help hold Big Pharma accountable and expose egregious pricing practices,” **said Lauren Aronson, Executive Director of CSRxP.** “The *FAIR Drug Pricing Act* will shine a light on the worst price-gouging offenders, help arm patients and policymakers with insight into Big Pharma’s pricing decisions and alert the public to looming price hikes.”

“Affordable access to medications is still one of the top challenges faced by people with MS,” **said Bari Talente, Executive Vice President of Advocacy and Healthcare Access at the National Multiple Sclerosis Society.** “While the Inflation Reduction Act was a great first step in lowering prescription drug costs, more work remains. The *FAIR Drug Pricing Act* is another important step to require basic transparency, justification and notice of price increases above certain threshold amounts or when companies price their medication over the median family income. With 11 MS DMTs now priced over \$100,000 a year, people with MS continue to express concern with their ability to afford their medications over the next few years. We applaud Senators Baldwin and Braun for reintroducing this important legislation.”

“We commend Senators Baldwin and Braun for introducing the *Fair Accountability and Innovative Research (FAIR) Drug Pricing Act*,” **said Sarah Kaminer Bourland,**

Legislative Director for Patients For Affordable Drugs Now. “This bill takes a step in the right direction by bringing much needed transparency and accountability to our broken drug price system, especially the challenge of unjustified price hikes and high launch prices. We urge Congress to move quickly to advance this legislation.”

A one-pager on this legislation can be found [here](#). Full text of the legislation can be found [here](#).

An online version of this release can be found [here](#).