House Committee on Oversight and Reform

Unsustainable Drug Prices (Part III): Testimony from AbbVie CEO Richard Gonzalez

May 18, 2021

10:00 A.M., 2154 of the Rayburn House Office Building and Zoom

Purpose

The purpose of this hearing is for the House Committee on Oversight and Reform to examine the causes and potential solutions to the high cost of pharmaceutical drugs, such as Humira and Imbruvica manufactured by AbbVie.

Members Present

Chairwoman Maloney, Ranking Member Comer, Representatives Connolly, Raskin, Khanna, Porter, Bush, Davis, Wasserman Schultz, Welch, Johnson, Sarbanes, Speier, Kelly, DeSaulnier, Gomez, Pressley, Foxx, Hice, Grothman, Gibbs, Higgins, Keller, Sessions, Biggs, Herrell, LaTurner, and Clyde, and Delegate Holmes-Norton.

Witnesses

Mr. Tahir Amin. Co-Founder and Co-Executive Director, Initiative for Medicines, Access, and Knowledge
Mr. Craig Garthwaite. Herman Smith Research Professor in Hospital and Health Services, Kellogg School of Management at Northwestern University
Mr. Richard Gonzalez. Chairman of the Board and Chief Executive Officer, AbbVie Inc.
Dr. Aaron Kesselheim. Associate Professor of Medicine, Harvard Medical School

Opening Statements

Chairwoman Maloney (D-NY) noted the hearing would be focused on AbbVie's Humira and Imbruvica products. She stated that drug prices in the US are unfair, unsustainable, and just plain wrong. An investigation showed that drug companies are actively targeting the US for price increases and cutting prices in other countries in the world by taking advantage of loopholes. The justifications for the pharmaceutical companies are not sound. AbbVie charges too much on these drugs. Humira is the highest grossing drug in the US. These prices are outrageous and Americans are the only ones paying this price compared to other countries. As AbbVie hikes its prices in the US, it has actually been dropping its prices in other countries. AbbVie executives described these disparities as positive prices in the US. Last year, AbbVie collected $16 billion in net revenue for Humira. Another investigation uncovered evidence that AbbVie took advantage of the patent process. AbbVie used legally questionable tactics to block lower price biosimilars from reaching US consumers, which made the company a fortune. She also said that drug companies make essential life-saving products, and everyone is indebted to scientists who pioneer

innovation. But abusive and unfair pricing means that these medications are out of reach for too many Americans. Instead of investing in new innovation, a significant portion of budgets are dedicated to suppressing competition. We need bills like HR 3 that would allow for negotiation of drug prices. Congress must pass these reforms to ensure Americans can afford drugs. Chairwoman Maloney shared personal testimonials from patients who used these drugs.

Ranking Member Comer (R-KY) said that partnerships between the private and public sector have aided the vaccine rollout. On the other hand, there are companies that have abused the patent system to control the market for a treatment. Many seek patents to recoup their investments. While it is not illegal, it can result in higher prices for patients. Democrats have proposed HR 3, a massive government takeover. Ranking Member Comer believes HR 3 will destroy the system that has made the US a lead innovator. HR 19, the House Republicans drug pricing legislation, was introduced to prevent anti-competitive behavior and brings more generics to market, as well as incentivizes rebates. Democrats have yet again attacked another pharmaceutical company instead of help Americans. Republicans presented a real plan to lower out-of-pocket (OOP) costs. American people need relief, but putting people first is necessary.

Testimony

Dr. Aaron Kesselheim said the idea behind the patent system is that a period of exclusivity fuels innovation. This dynamic is important because it allows time for companies to test drugs. During exclusivity, drug companies can set their own prices and law allows companies to raise prices. Prices drive patients to skip doses. Biosimilars have been slow to enter the US, but each biosimilar can reduce prices. The current system has been subject to many abuses. Drug companies introduce new changes that have little to no benefit to patients. Litigation to overturn patents can take years and can block drugs from entering the country. We need to protect and reward innovation. Bad patents must be limited, and Congress should develop new guidance on patenting standards. Providing more opportunity for review is necessary for patents. Finally, HR 3 must be passed to give the government power to lower prices and negotiate prices. In conclusion, the drug exclusivity system was intended to allow companies to generate revenue. Allowing competition to occur, reducing overall spending, and promoting better patient outcomes are all priorities.

Mr. Craig Garthwaite said it is well-known that developing new pharmaceutical products requires time and funding. The knowledge that results in this process is largely a public good. Market exclusivity allows drug companies to enjoy market power. Full prices can decrease access to lifesaving medications, and legislation should be able to limit that harm. Using government power will decrease innovation and lead to access problems. We must also acknowledge that patients enjoy the benefit of having a drug that treats their condition. We ignore the fundamental access to drugs. We must remember that everything about the existing parameters is the result of policy. As the market changes, it is reasonable to revisit policies on access and innovation, and they should focus on two areas- they

should limit welfare losses and ensure periods of exclusivity. Reforming reinsurance on Part D is one of the many options that can reach these goals. The question should be the strength in patents, not the quantity of patents. They should examine more resources for the patent and trademark office. Limiting patents is overly broad and the market will suffer from less innovation.

Mr. Tahir Amin said that the conversation is about bringing equity to a system. Roughly 34 million people know at least one person who has died from lack of access to drugs, and this is more prominent in communities of color. America has a drug pricing and drug patent crisis. Have they more become more inventive? Or better at inventing patents? There has been a massive increase on drugs, many of which have multiple patent applications with many years of protections. Americans will spend much more on branded drugs than those in other countries. AbbVie has recycled claims by making minor changes, as the current patent system allows this. The solution lies in raising the bar for what gets patented and the incentives must be changed. They must create financial incentive outside of generating revenue.

Mr. Richard Gonzalez stated that the global pandemic has highlighted the critical role science has played to tackle disease and conditions. AbbVie invests over $80 billion in science to combat these diseases and has produced cures for many conditions. As they tackle the issue of drug pricing and access, they must remember that the US is a leader in advancing science. AbbVie provides many means of assistance to those who cannot afford drugs, especially for Medicare Part D patients. Drug pricing is important and the industry has taken steps to reduce drug costs. Mr. Gonzalez believes the Medicare Part D program has been very effective and has yielded savings to the government; the aggressive price rebates have kept patient premiums flat since 2006. This program shows the cost effectiveness of Part D. Some things that are not working well are the lack of caps on spending and payment and open-ended drug expenses. The OOP cost is almost 100x higher for a drug like Humira compared to other drugs. They see the impact of prices within the patient assistance program. Industry, healthcare, and government should come together to lower costs for patients.

<u>Questions and Answers</u>

Chairwoman Maloney said AbbVie has increased the price of Humira 27 times and asked if prices have been increased in the US while the rest of the world has seen lowered prices. **Mr. Gonzalez** said that yes, that was an accurate statement, but that the key point is what is done with the difference between gross and net pricing. **Chairwoman Maloney** said that Humira prices were raised in the US and lowered in the rest of the world, with intentions of increasing prices in the US. She asked if AbbVie went through with these price increases. She also asked if the US pays more for Imbruvica. **Mr. Gonzalez** said he does not know of exact prices. **Chairwoman Maloney** said that research was done to show that Americans pay more for Imbruvica. She asked how much AbbVie made from sales of Imbruvica and Humira, and **Mr. Gonzalez** said roughly $2 billion for each drug. **Chairwoman Maloney**

said they calculated $12 billion, and unlike the rest of the world, the Medicare program is prohibited from negotiating lower prices. This demonstrates why Congress must pass HR 3.

Representative Foxx (R-NC) asked what would happen if industry is threatened with socialist pricing. **Mr. Garthwaite** said that there would be fewer innovation. He also said that there is concern on the National Institute of Health (NIH) research that shows up in the development of many drugs. Using NIH research as much as possible is necessary, but price controls are going to decrease the returns from the NIH. **Representative Foxx** asked how Part D is already a competitive market and how it can be improved so seniors are not facing high costs. **Mr. Gonzalez** said that Part D is negotiated and the government is getting the lower price. The structure of Part D dictates the affordability for patients. There is no ability to support or subsidize OOP costs because of anti-kickback laws. AbbVie wants patients to get drugs, which is why there is a patient assistance program and subsidizes the system.

Delegate Holmes-Norton (D-DC) said the increase in Humira has accelerated since 2013. A year's supply of Humira costs over $77,000. The hearing then experienced technical difficulties during her questioning.

Representative Hice (R-GA) said that Operation Warp Speed, with the public-private partnership, resulted in the speedy vaccine rollout. Lack of transparency, however, may contribute to anti-vaccine sentiment, which undermined this great achievement. If the administration continues to pander to progressive leaders, such as supporting patent waivers, it puts the future of drugs and pharmaceuticals at risk. This is supported by many other progressive groups and countries. Access is already available for low income countries and patent waivers would not make more vaccines available, but rather weaken innovation in the future. It is important to protect those who are innovators.

Representative Johnson (D-GA) asked about rebates for pharmacy benefit managers (PBMs). **Dr. Kesselheim** said that rebates reduce the price for different drugs by different amounts. **Representative Johnson** said that rebates do not keep pace with list price increases and asked about this means for people who just want to purchase affordable drugs. **Dr. Kesselheim** said that people pay OOP costs based on list prices they experience, which results in high OOP and increased premiums for insurance. **Representative Johnson** asked about net price and asked if the list price increased, would the net price of a drug increase over time. **Dr. Kesselheim** said yes. **Representative Johnson** said that the weekly dose of Humira has increased exponentially and asked what these trends depict regarding rebates provided to PBMs. **Dr. Kesselheim** said that the net price has increased significantly. **Representative Johnson** said that AbbVie rebates given for Imbruvica were between 4-11% and the data is clear that PBMs are not the primary driver of drugs, but rather AbbVie is the driver of these dramatic increases. **Dr. Kesselheim** said he agrees with that statement, and drug prices are set by the manufacturers.

Representative Grothman (R-WI) said there are rumors that AbbVie would be opposed to getting biosimilars to insulin in the market. **Mr. Gonzalez** said that they are not in the

insulin business so they do not have a point of view of this. **Mr. Garthwaite** said that they must think about the differences between rebates and market entry of products. Given the way exclusivity works, It is hard for a new entrance to compete for the existing stock of patients. **Dr. Kesselheim** said that it is important for biosimilars to enter the market. **Representative Grothman** asked why companies do not manufacture biosimilars to enter the market. **Dr. Kesselheim** said insulin is regulated as a small molecule product. There has been problems with litigation over insulin patents, which has made it challenging for biosimilars to enter the market. This is a multifactorial reason because insulin manufacturers has gained many patents that has blocked entry of products. **Representative Grothman** said that it is alarming that other countries pay less than the US does for drugs. He asked for a summary of a solution. **Mr. Garthwaite** said that he agrees that it is annoying and offensive that we pay so much more. He said that Europeans are choosing to freeride on the innovation of Americans and if they want to push forward on negotiations, then that is a debate that should have. But they should not simply adopt the policies of other countries.

Representative Raskin (D-MD) asked about the use of drugs under the Orphan Drug Act. **Dr. Kesselheim** said the legislation was designed so companies could take up drugs for rare diseases. **Representative Raskin** said that Humira is designed to treat a skin condition and asked if Humira would've been researched for the skin condition if it weren't for the Orphan Drug Act. According to an internal memo from AbbVie, the patient market would be profitable even without using it as an orphan drug. Representative Raskin asked whether AbbVie had applied for orphan drug approval for the skin condition. **Mr. Gonzalez** said he does not know that. **Representative Raskin** asked why AbbVie delayed seeking approval of this drug in pediatric patients. **Dr. Kesselheim** said that this is called "salami slicing" to gain the most exclusivity time as possible. **Representative Raskin** said that many of these skin condition patients had to wait and delayed access to the drug. AbbVie actively chose to delay access simply to generate revenue and Congress must stop this abuse. He asked if this is a tactical strategy to increase revenue. **Dr. Kesselheim** said that there have been abuses of the Orphan Drug Act and this is a common practice.

Representative Gibbs (R-OH) said a concern of passing HR 3 is how companies price drugs and penalties of these prices. He asked if this would stifle innovation. **Mr. Garthwaite** said that there would be reduced investments in innovation. **Mr. Gonzalez** said that depressing forward revenue will depress innovation, further reinforced by a Congressional Budget Office (CBO) report. **Representative Gibbs** asked if there is subsidization in foreign countries. **Mr. Gonzalez** said the company's patient assistance is limited in other countries. **Representative Gibbs** yielded his time to Mr. Gonzalez to make any comments. **Mr. Gonzalez s**aid that rebates are returned back to the government, which is a different way of getting a discount. AbbVie has increased researching and development (R&D) investments.

Representative Connolly (D-VA) asked if there are any biosimilars to AbbVie drugs, and **Mr. Gonzalez** said that there are none. AbbVie sued another company for patent infringement and asked why the partner delayed market entry until 2023. He asked if there

was any transfer of value to the other organization to stay off the market. **Mr. Gonzalez** said there was no transfer, monetary or other, for them to stay off the market. **Representative Connolly** asked if there was any discussion of transferring value to any competitors to stay off the market. **Mr. Gonzalez** said there was not, and that the companies pay royalties. **Representative Connolly** asked why the European market is different than that of the US. **Mr. Gonzalez** said that there are different patent portfolios around the world. The products on the market today pay for the products of the future. **Mr. Amin** said that a number of the European patents were revoked because they were not up to strength to get a patent. The US patent system over provides exclusivity so companies can keep filing patents well within a drug's life.

Representative Higgins (R-LA) said HR 3 is a massive federal overreach and asked about the bill's impact on the private sector. **Mr. Garthwaite** said that HR 3 is not negotiation and it will decrease innovation, as well as access to drugs. A lot of the conversation is on cost-sharing. **Representative Higgins** asked how Mr. Gonzalez can defend American pharmaceutical prices overseas when Americans are paying much more for the same drugs. He asked for an explanation on prices overseas being so much lower. **Mr. Gonzalez** said that outside of the US there is socialized healthcare. **Representative Higgins** asked how AbbVie can prove the legitimacy of the patents. **Mr. Gonzalez** said that patents go through a system to ensure legitimacy.

Representative Khanna (D-CA) asked who developed the monoclonal antibody. **Mr. Gonzalez** said he does not who invented their biggest drug. **Representative Khanna** said that it was Greg Winter, a Nobel Prize winner, and said despite his invention, he did not make billions. He said there is a disconnect on AbbVie's stance on innovation because they do not even know who invented Humira. It is business rather than innovation. **Mr. Gonzalez** said they patent innovation that is meaningful. **Representative Khanna** said that AbbVie is the center for innovation yet they do not know who the inventor is.

Representative Sessions (R-TX) asked if Humira works. **Mr. Gonzalez** said that it is very effective and it went through many trials. $16 billion was required to develop the drug. **Representative Sessions** asked what takes place in a negotiation of prices. **Mr. Gonzalez** said that the government gets the greatest discount. **Representative Sessions** wondered what would happen to patients if Humira was not an option. **Mr. Gonzalez** said that there are some alternatives, and patients are required to fail other therapies to get access to AbbVie therapies.

Representative Davis (D-IL) inquired about the suggestion that negotiation could be beneficial to insurance companies in terms of the prices they would ultimately pay. AbbVie applied for far more patents and asked for this differential compared to other country patents. **Mr. Gonzalez** said the US is the most rigorous and thorough. **Representative Davis** said the case has been made that Americans are paying far too much and asked why we are paying more than other countries. **Mr. Garthwaite** said that other countries are paying less because we are paying more. Other countries have different patent rules and

they should be focusing on the patent office. **Mr. Amin** said that it is very easy to get a patent in the US and disagrees that the US has the most rigorous patents system.

Representative Keller (R-PA) asked about the relationship between investment and incentive in the pharmaceutical space. **Mr. Garthwaite** said that a risky investment must be made to earn revenue. Firms are acutely aware of the market size and firms around the world respond to profits in the US. **Representative Keller** asked how price controls would affect the availability of drugs. **Mr. Garthwaite** said it would decrease prices but also decrease innovation and there must be a discussion on tradeoffs. **Representative Keller** stated that patents are critical in safeguarding IP, but can also add a barrier to drive down prices. He asked about a solution. **Mr. Garthwaite** said that they do want firms to invest resources for new uses for current drugs and maintain incentives. There should not be just one patent for one drug, but there should be a review on what qualifies as non-obvious and novel innovations. **Representative Keller** said that more price controls will stand to make drugs more difficult to access.

Representative Wasserman Schultz (D-FL) asked if commercialization involves setting prices in the US. The list price of Imbruvica has increased 9 times since 2013. The current list price is about $165 per tablet and asked about clarification on patients paying the list price. **Dr. Kesselheim** said that when list prices go up, patients feel the increase. **Representative Wasserman Schultz** said that patients without coverage are charged the full list price and the price goes up for everyone. Imbruvica rebates ranged from 4-11%, fbut the overall price still has increased. **Dr. Kesselheim** said that AbbVie sets the drug price and rebates are so small because the government cannot negotiate drug prices. **Representative Wasserman Schultz** said no one should be unable to afford life-saving drugs.

Representative Biggs (R-AZ) said that other countries are freeloading off of American drugs. This past year, there has been incredible innovation on vaccines and asked how Congress can replicate Operation Warp Speed. **Mr. Garthwaite** said they should be careful to generalize Operation Warp Speed to other drugs. If they are going to give public dollars to drugs, they should think more about capital pricing laws. **Representative Biggs** asked about the regulatory side of things that Congress should learn. **Mr. Garthwaite** said that the FDA stood up for regulatory review and the public must believe in the products. The FDA establishes the validity of these products. **Representative Biggs** asked about reference pricing, as well as an explanation on the money reinvested in AbbVie to develop other medications. **Mr. Gonzalez** said that they would be trading off a short term benefit for a long term problem. Looking at Humira, the products pay for future products. The Humira investment has created many drugs to help other conditions for other patients, and it is the on-market revenue that pays for other research and development.

Representative Welch (D-VT) said that patent protection is for a limited duration, and AbbVie does everything they can to extend the patent time. Product enhancements have been contributed to patents. **Mr. Gonzalez** said that they continue to innovate drugs to continue serving patients. **Representative Welch** said that when biosimilar competition

was introduced in Europe, Humira prices decreased. Competition works, and the executive pay has been related to increasing revenue and hitting revenue targets. Compensation is in the millions of dollars, and the bottom line is that the executive compensation is tied to revenue targets which are enhanced by price increases. The business model starts with the government providing a patent, the government producing payers, and then abuse from companies to extend the monopoly power at the expense of patients.

Representative Clyde (R-GA) said that small businesses would not benefit from HR 3. It is stifling to be strong armed by federal bureaucrats to bring transparency to the drug pricing space and to decrease prices for patients. He asked if AbbVie is engaged with any partnerships with smaller biotech companies. **Mr. Gonzalez** said that they invest in partnership arrangements and the fundamental issue is it would take the riskiest areas and make it more hesitant to invest in these areas. The tradeoff is not investing in riskier areas and that is the significant tradeoff. **Representative Clyde** asked if the Biden administration's initiative to waive IP would destroy value of products. **Mr. Garthwaite s**aid they must find ways to get vaccines to the rest of the world. He worries about the next pandemic, especially one that requires a small-molecule treatment and companies will have IP transferred to other countries. **Representative Clyde** said waiving IP protections is risky.

Representative Porter (D-CA) asked about the specific prices of Humira and Imbruvica and asked about how much money was put into research and development. He also asked if, after the price of Humira was doubled, whether there were fewer side effects. **Mr. Gonzalez** said that there are the same side effect profiles. **Representative Porter** said AbbVie jacked up the price after R&D, with the stated intent of innovation of the drug; yet outcomes were not improved. She asked how much money AbbVie has spent on litigations. **Mr. Gonzalez** said that it is not true they did not invest in other conditions. **Representative Porter** reclaimed her time and said it was $1.6 billion and illustrated the amount spent on stock buybacks and dividends, advertising and marketing, and R&D. She said AbbVie lied about their spending and that they are spending money to make money. The American people deserve better.

Representative LaTurner (R-KS) said Americans pay too much for drugs, but Democrats have been unwilling to work with Republicans to develop solutions to bring down drugs, but also not harm innovation. CBO has noted that R&D has increased amongst pharma firms. With less investment comes less innovation. Americans would be denied access to many life-saving medications with the passage of HR 3. He encourages Congress to focus on legislation to not jeopardize the free market system. Representative LaTurner asked whether more IP is protected during a large health crisis. **Mr. Gonzalez** said IP is vital for the industry. There is a tremendous amount of capital put in to develop new cures and this is fundamental to the industry.

Representative Speier (D-CA) said that the vaccine rollout was due to the federal government negotiating the price of drugs. Humira has been on the market for 18 years but it is still under patent protection and asked how AbbVie has avoided competition. AbbVie

has successfully created an entire estate of patent protections. She asked Mr. Gonzalez how much the company paid in taxes last year. **Mr. Gonzalez** said they paid about a $1 billion in taxes and about $21 billion in taxable revenue. **Representative Speier** said that their patents will not expire for over 30 years. She asked if AbbVie needed new patents. **Mr. Amin** said that the US system encourages middle patents to extend the lifetime of drugs. He said that he advises to raise the bar on what it takes to get a patent.

Representative Herrell (R-NM) asked if negotiations would have a direct impact on what consumers are paying for their drugs. **Mr. Gonzalez** said the government does negotiate, and that is one of the challenges of the discussion today. **Representative Herrell** asked if it would be better or worse for the consumer if the government was involved. **Mr. Gonzalez** said that working together to restructure the OOP costs would benefit the consumer. Lowering the drug alone will not help. **Representative Herrell** asked how HR 3 stifles innovation. **Mr. Garthwaite** said that big decreases in prices will have fundamental impact on innovation. Instead of promising people they will increase innovation, they must be real with the impacts of price decreases. For Medicare Part D program needs reform and takes advantage of customers who need many medications.

Representative Bush (D-MO) said as a nurse, the healthcare system prioritized revenue over patients. She asked what share of AbbVie comes from Humira. **Mr. Gonzalez** said about 40%. **Representative Bush** said that Humira sales contributed to 60% of their sales. Humira is much more expensive compared to other countries and asked if there are differences in the drug in different countries**. Mr. Gonzalez** said the general drug is the same. What causes the differences in price is socialized healthcare system mandates where the drugs are sold. This forces the US to pay far more of the innovation costs. The price increase is astronomical and patients suffer from this abuse. She asked if the drug efficacy has improved. **Mr. Gonzalez** said the drug is basically the same drug. **Representative Bush** asked if he will commit to lowering the price of Humira. **Mr. Gonzalez** said no, he will not commit. To make drugs more affordable, they would have to lower the price so far to make the OOP costs affordable and it is an issue of the structure.

Representative Norman (R-SC) inquired about what common sense solutions can be created to address this issue. **Mr. Garthwaite** said that they must look at cost-sharing being not tied to list prices and improving the flow of information. He is concerned about the fact that there are such strong auditing for PBMs. **Representative Norman** said he is welcome to any solutions to decrease the price of drugs. He asked what other actions have driven up drug prices. **Mr. Gonzalez** said that managed care and PBMs design the formulary to cover a broad set of patients. This gives flexibilities for providers to deliver drugs to patients and there is a broad set of products availability.

Representative Kelly (D-IL) said in a functional competitive market, companies would be able to compete fairly. **Dr. Kesselheim** said that is not what happens in the industry, so there is not a substantial price lowering of drugs. **Representative Kelly** said that they need to come to a solution and they all care that people can afford drugs. Gonzalez said that

there is a problem with the OOP approach for patients, and they have set up a broad safety net for patients to access what they need.

Ranking Member Comer asked if Operation Warp Speed would've been possible without the private-public partnership. **Mr. Garthwaite s**aid that this partnership was essential. **Ranking Member Comer** asked what can be done to build on the momentum of Operation Warp Speed for future pandemics. **Mr. Garthwaite** said that it would be a shame to squander this momentum and if Congress wants to work in these areas, Congress must focus on developing treatments for the next pandemic. **Ranking Member Comer** asked how much funding goes into drugs before getting FDA approval. **Mr. Garthwaite** said that early stage companies are good at developing research, and late stage companies are good at investing. All of these are important in the supply chain. **Ranking Member Comer** said that AbbVie has received many patents for Humira and Imbruvica. He asked why so many patents are necessary for these drugs. **Mr. Gonzalez** said they applied for patents for meaningful innovation and real innovation gives the ability to provide value for a patent. It is evident that highly sophisticated companies made a decision to license patent portfolios because they believe in the patents. That is the validation for the level of innovation.

Representative Sarbanes (D-MD) said drug companies create innovative drugs, but they must be affordable. It is important to note that when HR3 passes, drug companies will still make a profit. He asked if drug companies still make a profit abroad. **Dr. Kesselheim** said that yes, countries still make money. Drug companies set prices at whatever level they want and the ability to negotiate upfront will lower drug prices. **Representative Sarbanes** commented that they are trying to accomplish negotiating that other countries are doing around the world. Government research plays a huge role. He said he does not expect any pharma executives to behave any differently than they are. What they can do is what they are trying to do, which is allow the Medicare program to allow for negotiation of drugs.

Representative DeSaulnier (D-CA) stated he is a user of Imbruvica. He is grateful for the drug but asked how sustainable it is to purchase this drug, as most people go bankrupt because of medical bills. For Humira, biosimilar defense was identified and asked if this is equivalent to limit competition in the marketplace and take away market share. **Representative DeSaulnier** asked if product hopping is an accurate portrayal of what was happening at AbbVie. **Mr. Gonzalez** said that both products are still on the market and it does not change a biosimilar coming into the marketplace. **Representative DeSaulnier** said he would like to see AbbVie's books on where their money goes.

Representative Pressley (D-MA) said that these medications are supposed to help patients, but due to the price, they are causing financial hardships and mental and emotional stress. Patients have to cut pills in half and suffer from high costs of drugs. She asked about these impacts on patient health. **Dr. Kesselheim** said there are great impacts and patients must jump through many hoops. This is a major issue and leads people to stop taking their medications. **Representative Pressley** said AbbVie denies relief for patients and said AbbVie has suppressed competitive drugs to enter the market. She said that the

lack of competition will mean the government has to pay more and patients suffer. The delay will cost the government billions of dollars. The people deserve better.

Representative Gomez (D-CA) asked if it is correct to say that AbbVie benefits from third party patient foundations. **Dr. Kesselheim** said yes this is true. **Representative Gomez** said AbbVie co-sponsors Imbruvica with another pharmaceutical company and there is a joint advertising strategy. He asked if this was a strategy to maximize sales. **Mr. Gonzalez** said no. **Representative Gomez** asked what happens when the one year patient assistance program ends. Gonzalez said they reapply for another year of Humira coverage. **Representative Gomez** said the program is not meant to subsidize patients and is increasing the amount of money insurance companies are receiving.