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August 22, 2018

The Honorable Richard Durbin
United States Senate
711 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

Dear Senators Durbin and Grassley:

On behalf of the physician and medical student members of the American Medical Association (AMA), I applaud the introduction of the bipartisan amendments to Labor and Health and Human Services funding bill that would clarify that current law authorizes the U.S. Food and Drug Administration to require pharmaceutical manufacturers to provide an appropriate disclosure of pricing information for their product in direct-to-consumer (DTC) advertisements. The AMA agrees that this bipartisan amendment would help to empower patients, promote transparency, and ultimately lower prescription drug costs over time.

Physicians have long expressed concerns with the impact of DTC, particularly in the context of rapidly increasing prescription drug prices. The lack of cost and price transparency for prescription medication has undermined efforts to craft policies to remedy the escalation in prescription medication. While the causes driving higher prices in both the generic and brand drug market are varied, the pricing policies of manufacturers, pharmaceutical benefit managers, and health insurers have contributed to perverse results where patients may pay more for an already costly prescription medication with their insurance than if the patient pays out-of-pocket. Requiring manufacturers to include appropriate disclosure of pricing information of a prescription medication in the DTC advertisements for the product provides patients with important information to compare to what they are required to pay. This will also help provide context for less expensive generic alternatives. In short, while the final price a patient may pay may change based on deductible, co-pays, discounts, rebates, and changes in negotiated prices, patients, physicians, and policymakers will be able to better assess the value proposition of a medication if list price transparency is readily available.

The AMA appreciates your efforts to advance transparency in the pharmaceutical supply chain and is pleased to offer our support for your amendment.

Sincerely,

A handwritten signature in black ink that reads "James L. Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD