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PRESS RELEASE

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FIGHT CONTINUES ON PRESCRIPTION DRUG COSTS, DESPITE LACK OF COMMITTEE ACTION TODAY

- *Assembly Health Committee Failed to Pass AB 463 (Chiu) to Require Disclosure on the Pricing of Expensive Drugs*
- *Consumer Advocates Argue This Issue Isn't Going Away; Additional Policy Efforts Expected This Year; Politicians Ignore Public Anger At Their Peril*

SACRAMENTO-- While the California Assembly Health Committee failed to pass AB 463 (Chiu) to require greater transparency on how high-cost medications are priced, the fight over prescription drug costs is just beginning. Consumer groups, labor, business, and insurer groups support the legislation, which is vigorously opposed by the pharmaceutical industry.

"The issues of pharmaceutical costs is too big to just go away. This isn't the end but the beginning of the fight, and we expect to see and support other policy efforts to bring down the cost of prescription drugs this year. Politicians ignore the public anger around prescription drug prices at their peril." said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition. "From new treatments costing \$1,000 a pill to huge price spikes for decades-old medications, Californians are right to ask why drugs costs so much."

"Public transparency of the cost of research, development, and marketing for prescription drugs is essential in order for us to get a handle on fair pricing that would make these life saving medications affordable for consumers," said Betsy Imholz, Special Projects Director for Consumers Union, the policy and advocacy division of nonprofit Consumer Reports. "Consumers Union is deeply disappointed that this bill did not move forward and that California thus made no headway on the struggle for fair, rational drug prices."

"Requiring prescription drug companies to explain their prices could have helped to pressure prices downward - just as we have seen some health insurance companies lower their rates after they were required by state law to explain them to regulators." said Emily Rusch, executive director of the consumer advocacy group CALPIRG. "Perhaps more significantly, an increased understanding of the factors that are driving the increase in

prices would help policymakers make decisions about how to give consumers access to affordable medicine."

“Ironically, the prescription drug industry uses the money they get from patients to aggressively protect their profits. They spent a record-breaking \$80 million against the last ballot measure to try to address prescription drug costs a decade ago," said Wright, the sponsor of that measure, Prop 79 in 2005, which would have allowed California to use its bargaining power to provide drug discounts. "While this bill may not have been successful this time, we ultimately will prevail as consumers, insurers, labor, and business all seek a solution to the price of pharmaceuticals. These high prices impact everyone's health premiums, and means uninsured and underinsured patients cannot afford their medications, forcing them to skip doses, cut pills in half, and face the health consequences of not adhering to their medical needs. Ultimately, every voter is related to someone personally concerned about the rising cost of prescription drugs. "

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