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HSCA STATEMENT ON SENATE AGING COMMITTEE REPORT ON GENERIC DRUG PRICE SPIKES

Washington, DC (December 21, 2016) – Healthcare Supply Chain Association ([HSCA](#)) President and CEO Todd Ebert, R.Ph., today released the following statement on “[Sudden Price Spikes in Off-Patent Prescription Drugs: The Monopoly Business Model that Harms Patients, Taxpayers, and the U.S. Health Care System](#),” a report from the U.S. Senate Special Committee on Aging:

“The Healthcare Supply Chain Association (HSCA) and its group purchasing organization (GPO) members applaud the Senate Aging Committee for its bipartisan, comprehensive report on the impact, causes and potential policy solutions to generic drug costs. Generic drug price spikes are jeopardizing patient access to affordable healthcare and placing enormous strain on the overall health system. Although patients have long relied on generic drugs to reduce costs and increase access to essential medications, significant price spikes for some generic drugs are putting critical treatments beyond reach for many families.

“Price spikes often occur where there are only one or two manufacturers for a given product in the market and where a lack of competition among manufacturers allows high prices to go largely unchecked. The current backlog for abbreviated new drug applications (ANDAs) at the U.S. Food and Drug Administration (FDA) has exacerbated the problem of price spikes. The median review time for product approval has consistently grown – from 30 months prior to 2011, to 36 months in 2013, to an estimated 42 months in 2014. A three- or four-year wait time stifles the ability of manufacturers who want to introduce competition in the generic market.

“HSCA and its members support common-sense policy solutions to help increase competition in the generic market, including the “[Increasing Competition in Pharmaceuticals Act](#)” (S.2615), bipartisan legislation from Senators Collins (R-ME) and McCaskill (D-MO) that would mandate FDA priority review of ANDAs for products with only one manufacturer. Congress should also consider mandating priority review for generic injectable drugs with two or fewer manufacturers and in instances where there have already been price spikes of a certain percentage. Specifically, we urge Congress to mandate FDA priority review of an ANDA in instances where the market price of an existing product increases at a rate of more than five times the percent change that occurred in the Prescription Drugs Index of the Consumer Price Index for the previous year. HSCA also supports the “[Creating and Restoring Equal Access to Equivalent Samples \(CREATES\) Act](#)” (S. 3056), bipartisan legislation from Senators Leahy (D-VT), Grassley (R-IA), Lee (R-UT) and Klobuchar (D-MN) that would help give generic and biosimilar manufacturers a clear and efficient pathway to market.”

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To read the full Senate Aging Committee report on generic drug price spikes, click [here](#).

To read HSCA's letter in support of the "Increasing Competition in Pharmaceuticals Act" (S.2615), click [here](#).

To read HSCA's letter in support of the "Creating and Restoring Equal Access to Equivalent Samples (CREATES) Act" (S. 3056), click [here](#).

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About the Healthcare Supply Chain Association (HSCA)

The Healthcare Supply Chain Association ([HSCA](#)) represents the nation's leading healthcare group purchasing organizations (GPOs), which are critical cost-savings partners to America's hospitals, nursing homes, nursing home pharmacies, clinics, home healthcare providers and surgery centers. GPOs deliver billions in savings annually to healthcare providers, Medicare and Medicaid, and taxpayers. HSCA and its member GPOs are committed to delivering the best products at the best value to healthcare providers, to increasing competition and innovation in the market, and to being supply chain leaders in transparency and accountability. For more information, visit www.supplychainassociation.org. Follow HSCA on Twitter @HSCA.

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