

Coalition for Fair Drug Prices Statement of Principles

Eight in ten Americans say the cost of prescription drugs is “unreasonable.” What’s more, nearly 3 in 10 people across the country skip doses or forgo filling prescriptions altogether due to high costs.¹ U.S. consumers are charged higher prices by drug manufacturers than consumers in any other country. Families in America are rationing treatment and facing financial hardship due to unaffordable out-of-pocket drug costs and high health insurance premiums. These problems are driven by high launch prices and annual price increases, and rooted in drug corporations’ monopoly power and perverse incentives within the pharmaceutical supply chain. Across party lines and by wide margins, Americans support serious action to reduce drug prices.²

The following principles articulate shared goals for prescription drug policy that convey our common vision about prescription drugs in the United States.

I. Overall

1. Everyone should be able to access, on an equitable, affordable, and safe basis, the medication they need to live healthy and productive lives.

II. Pricing and affordability

1. Prescription drugs should be affordable for individual consumers and for our country’s overall health coverage and care systems, including public programs and private health insurance.
2. Drug prices must be affordable, justified, and fair. This includes initial launch prices and later price increases; prices for brand-name drugs and generics; and prices for biologics and biosimilars.
3. The top priority for action must be to address outrageous list prices that manufacturers charge, which drive costs throughout the system. Additional policies to bring costs and prices under control should ultimately encompass the entire supply chain, including wholesale distributors, PBMs, insurers and other payers, and retail pharmacies.

¹ Kaiser Family Foundation. (2019). Health Tracking Poll-February 2019: Prescription Drugs. Washington, DC. Available online at: <https://www.kff.org/health-reform/poll-finding/kff-health-tracking-poll-february-2019-prescription-drugs/>.

² Kaiser Family Foundation. (2019). Health Tracking Poll-February 2019: Prescription Drugs. Washington, DC. Available online at: <https://www.kff.org/health-reform/poll-finding/kff-health-tracking-poll-february-2019-prescription-drugs/>.

III. Innovation

1. Public policy (including incentives for and funding of research and development) should promote drug innovation that achieves the greatest possible gains in health and well-being, rather than prioritizing the development of drugs that maximize monopolies and corporate profit.
2. Prices should ensure that the public gets a fair return on its investments in pharmaceutical research and development, accounting for public research dollars and other forms of government subsidy.
3. Full transparency should apply to the costs of research and development (including the extent to which those costs were paid for with public dollars) and the results of clinical trials.

IV. Transparency

1. The entire pharmaceutical supply chain (including manufacturers, wholesale distributors, PBMs, insurers and other payers, and retail pharmacies) must be publicly accountable for and provide transparent information about expenses (including for marketing and lobbying if applicable), prices, rebates and discounts, profits, and related information about costs and revenues.

