

February 5, 2020

The Honorable Lloyd Doggett
Chairman
U.S. House Committee on Ways and Means
Subcommittee on Health
1102 House Longworth Office Building
Washington, DC 20515

The Honorable Devin Nunes
Ranking Member
U.S. House Committee on Ways and Means
Subcommittee on Health
1102 House Longworth Office Building
Washington, DC 20515

Dear Chairman Doggett and Ranking Member Nunes,

As the Ways and Means Committee prepares to hold a hearing entitled “*More Cures for More Patients: Overcoming Pharmaceutical Barriers*,” The ERISA Industry Committee (ERIC) commends your efforts to lower drug costs by addressing abuses that hinder competition and drive up prescription drug costs for patients.

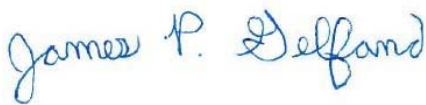
ERIC represents the largest and most prestigious companies in the country, leaders in every sector of the economy and provides these comments on behalf of large employers that sponsor benefit plans for their workers, retirees, and families across the country. ERIC supports the ability of its large employer members to tailor health, retirement, and compensation benefits for millions of employees, retirees, and their families. Our members provide comprehensive health benefits and pay the vast majority of health care costs incurred by plan beneficiaries – as such, they have a significant stake in, and deep commitment to, efforts to curb the unsustainable rising costs of prescription drugs.

On behalf of our member companies, ERIC has called upon Congress to address some of the most blatant abuses that lead to patients paying higher costs at the pharmacy counter, and raise health insurance costs for all beneficiaries. Some of these abuses include:

- Drug “coupon” arrangements that steer patients to expensive drugs and hinder generic and biosimilar competition;
- Rebate and discount structures that cause drug formularies to be based on metrics other than value for patients;
- Patent evergreening and other methods of extending exclusivity that negate incentives to innovate new cures;
- Undermining of medical management techniques designed to help patients control costs; and more.

Employers are working diligently to reduce drug costs and keep health care affordable for the 181 million Americans with job-based health insurance. But we cannot achieve this objective alone – action from Congress is needed to create policies that foster real competition and crack down on abuses and gaming of the system. We applaud the Committee for holding this hearing and look forward to working with you to make drug costs and health insurance more affordable and sustainable for Americans workers, their families, and retirees.

Sincerely,



James P. Gelfand