

Congressman Rahm Emanuel (IL-05)
Testimony before the Subcommittee on Wellness and Human Rights
Committee on Government Reform
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Mr. Chairman and members of the Subcommittee, thank you for calling this hearing on such a crucial issue for American consumers, and thank you for inviting me to testify.

On June 26, the House and Senate passed bills that would create the largest expansion of Medicare in 40 years. Any version of this bill that comes out of conference will require the federal government to take on significant liability for seniors' prescription drug expenditures. We are pledging at least \$400 billion of taxpayers' money – and we do not take one significant step in this bill to ensure that we are making a cost efficient investment by addressing the cost of prescription drugs.

Can you imagine if a private company ever decided to make such a significant investment, without every board member and stockholder insisting that the company got the best bang for its buck? At a time when we are facing record budget deficits, the federal government has a critical responsibility to make responsible financial decisions. Passing a \$400 billion drug benefit without including cost containment provisions is not a responsible financial decision.

The prescription drugs we purchase in the United States cost 30 to 300 percent more than the exact same drugs purchased in other industrialized countries. This is the result of a captive market which forces American consumers, and American seniors in particular, to subsidize the drug costs for the entire world. Without competition from other drug markets, pharmaceutical companies have no incentive to make drugs affordable, and our most vulnerable citizens – the elderly, the chronically ill, and the uninsured – suffer.

H.R. 2427, the *Pharmaceutical Market Access Act*, would promote competition and drive down prices for consumers, insurers, and businesses. It is a common sense approach to a problem that is devastating for seniors in particular. Consumers in this nation depend on competition to get affordable cars, food, software – but for prescription drugs, which many people depend on to survive – competition and therefore affordable prices do not exist.

The pharmaceutical companies who oppose this bill are publicizing supposed “safety concerns” around imported drugs. We have taken great pains to ensure that the safety provisions in this bill effectively protect Americans. Perhaps there are no “safety precautions” that could be in this bill that would satisfy the pharmaceutical industry?

H.R. 2427 includes comprehensive precautions that would ensure the safety of drugs brought into this country. In addition, it would bring order to a system which right now is susceptible to potential abuse. Right now, the FDA is turning a blind eye to people buying drugs from overseas, effectively turning our elderly citizens into drug runners. We have heard stories about illegitimate pharmacy websites selling drugs to people who are so desperate for affordable drugs that they feel there is no other choice. With this bill, we insert important safety criteria into the process of buying drugs from abroad, and make a process which already exists much safer.

In addition, beyond the safe drugs that we will bring into this country, we will bring lower prices into this country. Right now, the fact that 30 percent of seniors do not fill prescriptions because of cost is the real safety concern. An unaffordable drug is neither safe nor effective.

The seniors whom I meet in my district, at Northpark Village Senior Center, and the Merrimack Park Seniors Club, and the Brickyard Seniors Club are begging for lower drug prices. Passing H.R. 2427, a bill that would cost taxpayers nothing, could do more to help the seniors in my district than the passage of a \$400 million Medicare drug benefit.

I want the pharmaceutical companies to succeed. And I want them to make sufficient profit to continue funding the research and development that saves lives every day. But we cannot prioritize the profits of the pharmaceutical companies over the ability of Americans to afford the lifesaving drugs they produce.

Not only do American taxpayers subsidize pharmaceutical research by paying premium prices for prescription drugs, but they subsidize drug companies through taxpayer investment in research and development. The lifesaving cancer drugs Tamoxifen and Taxol were developed in large part by NIH, with taxpayer dollars. The companies that marketed these drugs receive windfall profits from their sale. And the only reward for American taxpayers is that many cancer patients cannot access these drugs because they are prohibitively expensive.

Mr. Chairman, this debate has brought together a bipartisan coalition of Members with vastly different beliefs. It is representative of how essential this issue is to our constituents and to this whole country that Members who disagree on other issues are standing together on this one, around a common set of values. These Members have come together because the situation as it exists right now is wrong, it is unfair, and it is unsustainable for American consumers and for the federal government.