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PCMA Applauds Congressman Waxman's Efforts to Create Legal Pathway for Lower-Cost Alternatives to Biologic Drugs

Marketplace Competition will Lower Costs and Increase Access to Biotech Drugs for Consumers and Purchasers

(Washington, DC)— The Pharmaceutical Care Management Association (PCMA) issued the following statement today in support of Representative Henry Waxman's (D-CA) efforts to create a legal pathway for Food and Drug Administration (FDA) approval of more affordable safe and effective alternatives to high cost biotech drugs:

"America's Fortune 500 companies, small businesses, government agencies, unions and, most of all, consumers, want to see competition introduced into the biotech drug market because that is the key to lower prices. PCMA applauds Congressman Waxman's efforts to address these concerns by seeking to create a legal pathway for FDA approval of lower-cost alternatives to biotech drugs."

"Biotech drug spend is expected to double from \$56 billion in 2004 to \$105 billion in 2010.[1][1] A significant portion of that drug spend will be borne by taxpayer-funded federal government programs. A lack of competition drives the high cost of biotech drugs as manufacturers often price according to what the market will bear.[2][2]

"A recently published report on biotech drugs found that prices for many biotech products actually increased over time – often dramatically.[3][3] This is in sharp contrast to traditional drugs that are subject to generic competition.

[1][1] Belsey, Mark J., Harris, Laura M., et al. "Biosimilars: Initial Excitement Gives Way to Reality", *Nature Reviews/Drug Discovery*, Volume 5, July 2006. Available at: <http://www.nature.com/nrd/journal/v5/n7/full/nrd2093.html#a1>.

[2][2] Bishop, Tricia. "What price to save a life? High cost of drugs raises ethical issues." *The Baltimore Sun*, February 19, 2006.

[3][3] Monroe, Douglas C., Potter, Lori, et al, "Kaiser Permanente's Evaluation and Management of Biotech Drugs: Assessing, Measuring, and Affecting Use", *Health Affairs*, 25, no. 5 (2006: 1340 – 1346).

“It is imperative that policymakers seek a legislative solution to the lack of competition to innovator products in the biotech drug industry. The time to act is now to enhance competition in the marketplace to lower costs and increase access for consumers and purchasers.”

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PCMA is the national association representing America’s pharmacy benefit managers (PBMs), which lower the cost of prescription drugs for more than 200 million Americans with coverage provided through Fortune 500 employers, health insurers, labor unions, and Medicare Part D