 Prices for brand prescription drugs increased 264% between 2008 and 2015. Inflation rose 12% for the same time period. With this level of increase, prescriptions are simply not affordable. Consequently, patients do not fill prescriptions or they skip dosages—leading to more expensive treatments, or in many cases they go bankrupt due to healthcare and drug costs.

**THE FIX:**

**STEP ONE:** CMS, the Center of Medicare Services, empanels the nation’s most renowned doctors and bio med scientists, in each field of medicine to establish and maintain a national formulary...a list of effective medications that can be prescribed by our nation’s doctors...with an exceptions process for special circumstances.

**STEP TWO:** CMS negotiates prices directly with drug manufacturers for medicare beneficiaries. By harnessing the power of medicare beneficiaries, the entire market will adopt those prices. Middlemen, such as insurance companies and PBMs which currently extract huge profits from the sale of drugs for minimal value add, are not included. The prices established are for the entire marketplace to be enjoyed by all American consumers whether insured or not.

The negotiation can include an economic analysis, recognizing the full cost of developing, manufacturing, and bringing a drug to market and the importance of profit incentives to encourage the development of new innovative drugs.

**CALL TO ACTION...**

to our nations business leaders

**RECOGNIZE:**
Unrestrained drug pricing threatens our nation’s businesses, working families, and the U.S. economy.

**JOIN:**
Business Leaders Transforming Healthcare (BLTH) Campaign...the business community must stand together for reform.

**WORK:**
Use your effort and influence to end the dominance of Big Pharma over our nation’s business community, the US Congress and our society.

---

Harvard health studies and CDC Center for Disease Control Center 1/30/15
Health care spending in the U.S. is far greater than all other industrialized nations. Healthcare is 18% of the U.S. GDP. (The average for OECD countries: 9.2%)

• The U.S. Patent system grants monopoly status without any restraint of U.S. government policy regarding price. Patented Medicine Price Review Boards are standard practice throughout the industrialized world.

• Unrestrained, Wall Street bankers raise massive sums of capital to fuel big mergers that lead invariably to higher prices.

Mergers and acquisition in Pharma and Bio Med reached $550 Billion, (300 transactions) in 2014-2015

BIG PHARMA’S PRIORITIES:
Sales and Marketing over R&D... encouraging the development of high cost drugs

USING THEIR OWN FINANCIALS, TOP 10 DRUG MAKERS SPEND 50% MORE ON SALES & MARKETING THAN RESEARCH & DEVELOPMENT.

Whose Democracy is It?
Lobbyists and Campaign Dollars Pharma ($244 million in 2016, lobbying expense alone), 1300 lobbyists... health insurers ($145 million) 850

2016, Center for Responsive Politics

There is a rise in “Specialty Drugs”, which are high priced, and treating complex chronic conditions.

SPECIALTY DRUGS...
HIGH COST DRUGS
Number of specialty drugs in U.S.

MEDICARE PART D BILL
2003 108TH CONGRESS
The Secretary of Health and Human Services may not require a particular formulary or institute a price structure for covered drugs

THE RESULT:
WE PAY MORE

<table>
<thead>
<tr>
<th>TOP SELLING DRUGS COMPARISON</th>
<th>USA</th>
<th>ENGLAND</th>
<th>FRANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humira (Arthritis injection)</td>
<td>$2,504</td>
<td>$1,158</td>
<td>$978</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gleevec (Leukemia)</th>
<th>$10,122</th>
<th>$2,645</th>
<th>$2,303</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advair (Asthma inhaler)</td>
<td>$154</td>
<td>$46</td>
<td>$34</td>
</tr>
<tr>
<td>Lantus (Long lasting insulin)</td>
<td>$186</td>
<td>$63</td>
<td>$47</td>
</tr>
</tbody>
</table>

U.S. Pays 200% to 300% more

We aren’t using the accumulated buying power of the U.S. marketplace to gain lower costs.

We aren’t using the accumulated buying power of the U.S. marketplace to gain lower costs.

<table>
<thead>
<tr>
<th>PHARMACEUTICAL COST PER CAPITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA $1,025</td>
</tr>
</tbody>
</table>

Health care spending in the U.S. is far greater than all other industrialized nations. Healthcare is 18% of the U.S. GDP. (The average for OECD countries: 9.2%)