United States Senate
WASHINGTON, DC 20510

May 30, 2018

Richard A. Gonzalez
Chairman of the Board and Chief Executive Officer
Abbvie
1 N. Waukegan Road
North Chicago, Illinois 60064

Dear Mr. Gonzalez:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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We are also interested in your company's response in the days after the President's announcement, and in your drug pricing plans for the coming months and years in response to President Trump's proposal. On June 12, 2018, less than two weeks from today, the Senate Health, Education, Labor and Pensions (HELP) Committee will be holding a hearing on "The Cost of Prescription Drugs: Examining the President's Blueprint 'American Patients First' to Lower Drug Prices." To help us prepare for that hearing, we ask that you provide answers to the following questions no later than June 8, 2018.

1) Did you make any immediate reductions in any of your company's drug prices following the President's announcement on May 11, 2018? If so, please describe these price reductions.
2) Have you increased any of your company's drug prices between May 11, 2018, and the present? If so, for which drugs? What was the extent of these price increases, and why did you increase prices?
3) Secretary Azar indicated that as part of the proposal, the Administration would begin "working to examine how to require drug companies to post their list prices in direct-to-consumer advertising." But he also noted that "[d]rug companies don't have to wait on us," asking them to immediately begin "put[ting] your list price in your ads." To the extent your company uses direct-to-consumer advertising, will you commit to including list price information?
4) President Trump promised to "take on one of the biggest obstacles to affordable medicine: the tangled web of special interests," and criticized drug manufacturers "making an absolute fortune at the expense of American consumers" and their spending "nearly $280 million on lobbyists."[6] He promised to "pu[t] American patients first."[7] But Politico reported that "The White House official who will shape a large part of the Administration's drug price plan worked on many of the same issues as an industry lobbyist," and that this official, Joe Grogan, "has sweeping authority over drug pricing, entitlement programs, and other aspects of federal health policy at the Office of Management and Budget."[8] Have officials from or representing your company lobbied, met with, or otherwise communicated with Mr. Grogan or any other White House or Administration official about the President's drug plan? If so, please provide a description of these actions, including a list of the individuals involved and the issues discussed.
5) Following the release of the President's drug plan, many drug manufacturers' stock prices increased, an apparent indication that the plan would have "benign" impact on drug manufacturers. But Secretary Azar said that "stock analysts ... totally missed the boat here," implying that the drug pricing plan would have an adverse impact on

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drug company revenues and profits.[9] Do you agree with Secretary Azar, or do you believe that your current stock prices reflect the potential impact of the President's plan?

6) Have you conducted any internal analysis of the President's proposal on your company's estimated total revenues and profits either for this year or for any of the next four years? If so, please provide this information.
7) What other actions will your company be taking to reduce drug prices for seniors and for other patients?

Sincerely,

Elizabeth Warren
United States Senator

Tina Smith
United States Senator

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Robert A. Bradway
Chairman and Chief Executive Officer
One Amgen Center Drive
Thousand Oaks, CA 91320

Dear Mr. Bradway:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

John F. Milligan
Chief Executive Officer
Gilead
333 Lakeside Drive
Foster City, CA 94404

Dear Mr. Milligan:

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drug company revenues and profits.[9] Do you agree with Secretary Azar, or do you believe that your current stock prices reflect the potential impact of the President's plan?

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Emma Walmsley
Chief Executive Officer
GlaxoSmithKline
Philadelphia Navy Yard
5 Crescent Drive Philadelphia, Pennsylvania 19112

Dear Ms. Walmsley:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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Sincerely,

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Alex Gorsky
Chief Executive Officer
Johnson & Johnson
1 Johnson and Johnson Plaza
New Brunswick,New Jersey 08933

Dear Mr. Gorsky:

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Ken Frazier
Chairman and CEO
Merck
2000 Galloping Hill Road
Kenilworth, N.J. 07033

Dear Mr. Frazier:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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We are also interested in your company's response in the days after the President's announcement, and in your drug pricing plans for the coming months and years in response to President Trump's proposal. On June 12, 2018, less than two weeks from today, the Senate Health, Education, Labor and Pensions (HELP) Committee will be holding a hearing on "The Cost of Prescription Drugs: Examining the President's Blueprint 'American Patients First' to Lower Drug Prices." To help us prepare for that hearing, we ask that you provide answers to the following questions no later than June 8, 2018.

1) Did you make any immediate reductions in any of your company's drug prices following the President's announcement on May 11, 2018? If so, please describe these price reductions.
2) Have you increased any of your company's drug prices between May 11, 2018, and the present? If so, for which drugs? What was the extent of these price increases, and why did you increase prices?
3) Secretary Azar indicated that as part of the proposal, the Administration would begin "working to examine how to require drug companies to post their list prices in direct-to-consumer advertising." But he also noted that "[d]rug companies don't have to wait on us," asking them to immediately begin "put[ting] your list price in your ads." To the extent your company uses direct-to-consumer advertising, will you commit to including list price information?
4) President Trump promised to "take on one of the biggest obstacles to affordable medicine: the tangled web of special interests," and criticized drug manufacturers "making an absolute fortune at the expense of American consumers" and their spending "nearly $280 million on lobbyists."[6] He promised to "pu[t] American patients first."[7] But Politico reported that "The White House official who will shape a large part of the Administration's drug price plan worked on many of the same issues as an industry lobbyist," and that this official, Joe Grogan, "has sweeping authority over drug pricing, entitlement programs, and other aspects of federal health policy at the Office of Management and Budget."[8] Have officials from or representing your company lobbied, met with, or otherwise communicated with Mr. Grogan or any other White House or Administration official about the President's drug plan? If so, please provide a description of these actions, including a list of the individuals involved and the issues discussed.
5) Following the release of the President's drug plan, many drug manufacturers' stock prices increased, an apparent indication that the plan would have "benign" impact on drug manufacturers. But Secretary Azar said that "stock analysts ... totally missed the boat here," implying that the drug pricing plan would have an adverse impact on

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drug company revenues and profits.[9] Do you agree with Secretary Azar, or do you believe that your current stock prices reflect the potential impact of the President's plan?

6) Have you conducted any internal analysis of the President's proposal on your company's estimated total revenues and profits either for this year or for any of the next four years? If so, please provide this information.
7) What other actions will your company be taking to reduce drug prices for seniors and for other patients?

Sincerely,

Elizabeth Warren
United States Senator

Tina Smith
United States Senator

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Dr. Vasant Narasimhan
Chief Executive Officer
Novartis AG
230 Park Avenue
New York, NY 10169

Dear Dr. Narasimhan:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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Sincerely,

Elizabeth Warren
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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Ian C. Read
President and Chief Executive Officer
Pfizer Inc.
235 East 42nd Street NY, NY 10017

Dear Mr. Read:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

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drug company revenues and profits.[9] Do you agree with Secretary Azar, or do you believe that your current stock prices reflect the potential impact of the President's plan?

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Sincerely,

Elizabeth Warren
United States Senator

Tina Smith
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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Dr. Severin Schwan
Chief Executive Officer
F. Hoffmann-La Roche Ltd.
CH-4070 Basel
Switzerland

Dear Dr. Schwan:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

HHS Secretary Azar made similar comments. He claimed to have a special insight into the problem, because "I've been a drug company executive – I know the tired talking points" from PhRMA, and "I'm not interested in hearing those talking points anymore."[2] He insisted that "if the pharmaceutical industry wants [direct government price negotiation] off the table entirely, the only way is to come to the table with us, to engage in meaningful negotiation with Medicare Part D plans, and to stop the price hikes."[3] He called on drug companies "to level with the American public [and] put your list price in your ads."[4] And he noted that "I expect the President will be interested in hearing which companies lowered their prices and took other actions to support the changes we want to make."[5]

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Sincerely,

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United States Senate
WASHINGTON, DC 20510

May 30, 2018

Olivier Brandicourt
Chief Executive Officer
Sanofi
55 Corporate Drive
PO Box 5925
Bridgewater, NJ 08807

Dear Mr. Brandicourt:

On May 11, 2018, President Trump announced his plan to reduce high drug prices, claiming that he was "launching the most sweeping action in history to lower the price of prescription drugs for the American people." He promised to take on "the tangled web of special interests," noting that "[t]he drug lobby is making an absolute fortune at the expense of American consumers."[1]

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Tina Smith
United States Senator

[9]Politico, "Azar to drug plan critics: Bring on the fight," Dan Diamond, May 17, 2018, https://www.politico.com/story/2018/05/17/alex-azar-drug-plan-lower-price-critics-596966.