

# COLORADO COMMISSION ON AFFORDABLE HEALTH CARE

Bill Lindsay, Chair  
Cindy Sovine-Miller,  
Vice-Chair  
Elisabeth Arenales  
Jeffrey Cain  
Rebecca Cordes  
Greg D'Argonne  
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Susan Birch  
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Marguerite Salazar  
Jay Want  
Larry Wolk

August 16, 2017

Mr. Jeffrey Woodhouse  
Senior Director, State Government Advocacy  
Rocky Mountain Region  
PhRMA  
950 F. Street, Suite 300  
Washington, DC 20004

## **RE. COLORADO COMMISSION ON AFFORDABLE HEALTH CARE**

Dear Mr. Woodhouse:

I read your letter of August 8, 2017, with a great deal of interest. We both share the same desire to improve the care of our fellow Americans, while lowering the overall cost of that care.

Let me be clear from the onset: The Commission recognizes the value of pharmaceuticals in curing the effects of disease, and reducing the need for follow-up physician visits, hospitalizations, etc. Our report noted that the pharmaceutical industry has been a major contributor in these areas. We also acknowledge that the spiraling cost of care in America is due to many factors, and pharmaceuticals are but one of the contributors.

Our concerns revolve around three basic issues:

- The increasing spending on medications has been one of the factors exacerbating the rapid cost trend in America. These increased costs are due to the increases in the prices of many brand name and specialty drugs as well as increased utilization.

We acknowledged early on that our assessment of these increases differs from yours, but we stand by our assertion in this regard.

- The lack of transparency around the pricing build-up of various medications clouds this debate, and makes an open and honest

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discussion.

difficult. No-one denies the need for your members to operate at a reasonable profit, but we both know of many examples where actions of your members appear to be driven by opportunistically maximizing short-term profits without restraint, rather than by securing a reasonable ROI.

- Because many of the potential remedies regarding the cost of pharmaceuticals are in the federal domain, the Commission put forth a series of recommendations for consideration by our federal delegation. As you noted, these are somewhat controversial, which is perhaps inevitable given the potential for billions of dollars in reduced health care costs for consumers. We acknowledge that these ideas should be debated and may need to be adjusted or tweaked prior to enactment. Nevertheless, we stand by recommendations and look forward to a broader debate, at the federal level.

We appreciate your perspective and the points that you raised in your letter. Our Commission's tenure has ended, but we expect that these topics may well be debated within the state legislature. We welcome that debate and if called to testify, we will be pleased to do so. That may be an appropriate time to hear what specific ideas PhRMA has to address these issues. We hope that you will be able to bring ideas to address these concerns honestly, rather than simply providing rationale for the status quo.

On behalf of the Commission on Affordable Health Care.

Sincerely,



William N. Lindsay III  
Chair, Colorado Commission on Affordable Health Care