



SARAH GODLEWSKI'S PLAN TO REIN IN DRUG COSTS & HOLD BIG PHARMA ACCOUNTABLE

As Sarah travels across the state and listens to Wisconsinites from all walks of life, it's clear the high cost of health care and prescription drugs is on people's minds. Whether needing prescription drugs for an ailing elderly parent, a diabetic child, a sister fighting cancer, or a spouse managing chronic pain, fear of covering the costs of prescription drugs keeps folks up at night.

For decades, politicians from both parties have repeatedly made promises on the campaign trail and in office to provide relief for the high costs of prescription drugs. Thirty-three years ago, a Democratic senator proposed a solution to allow the government to negotiate better drug prices. Republican President Trump made lowering drug prices a hallmark of his 2016 presidential campaign. ***Yet, efforts to lower drug prices are consistently abandoned by members of both parties, frequently due to the pressure of the pharmaceutical industry and lack of consensus.*** Every time Washington gets close to getting a deal done to lower the costs of prescription drugs, Big Pharma steps in, and politicians cave. Like so many Wisconsinites, Sarah is tired of all talk and no action.

The skyrocketing cost of prescription drugs plagues Wisconsinites and harms Americans in every corner of the country. As pharmaceutical companies pull in record profits, folks are skipping pills to make their prescriptions last a little longer, while others are having to choose between their groceries and their life-saving medicine. Americans are paying as much as two to four times more *for the same drugs* compared to those in Australia, Canada, and France.¹ **Here in Wisconsin, prescription drug costs grew at a pace of nearly twice as much as the average Wisconsinite's income from 2015-2019.**²

Sarah is committed to tackling prescription drug costs because she knows there is so much more that we can and should be doing in Washington to fight back against Big Pharma's efforts to keep prescription drug costs – and their own profits – high.

In Washington, Sarah will work to:

- Ensure that Medicare can negotiate for lower drug costs
- Cap out-of-pocket prescription costs for seniors
- Cap the price of widely-used drugs

¹ CAP, [Value-Based Pricing of Prescription Drugs Benefits Patients and Promotes Innovation](#)

² AARP, [Prescription Drug Costs are Rising Nearly Twice as Fast as Wisconsinites' Income \(aarp.org\)](#)

- Create an international price index to ensure that drug companies are not charging Americans more for the same product
- Stop drug companies from increasing prices beyond the rate of inflation
- Eliminate the tax giveaway for Big Pharma
- End patent thicket maneuvering so low-cost generic drugs can be produced

Working to Reduce the High Cost of Prescription Drugs

There is no justifiable reason why in the United States, one of the wealthiest nations across the globe and one of the largest purchasers of pharmaceuticals, consumers pay the highest prices for medicine.³ Medicare, one of the largest drug purchasers in the world, is prohibited by law from negotiating prescription drug costs. Unlike Medicare, the Veterans Administration, which covers a much smaller group of Americans, is able to get lower drug prices because it is allowed to negotiate.⁴ **Sarah will work to allow Medicare to negotiate drug prices to save the government money and lower bills for everyday Americans** by empowering the Secretary of Health and Human Services to negotiate lower drug prices with Medicare Part B and Part D and make those prices available to plans in the Marketplace, other commercial plans, and any employers who want to participate.

In the United States, Americans can pay four times more than patients in other countries for the same exact drug.⁵ **Sarah will also work to create an international price index to ensure that drug companies are not price gouging Americans while charging consumers in other countries a much lower cost.**

Any solution we develop to contain burgeoning drug costs must ensure that our seniors, who frequently survive on fixed or decreasing incomes, should not have to continue to risk their health by rationing their prescriptions. According to the Kaiser Family Foundation, in 2019, 1.2 million seniors faced out-of-pocket drug costs of more than \$2,000.⁶ Out-of-pocket caps for private insurance were set with the passage of the Affordable Care Act, but Medicare beneficiaries were not included. **That's why Sarah will push for an out-of-pocket cap for seniors' prescription costs.**

To meet Wisconsin's patients where they are, Sarah will start by tackling some of the most flagrant offenders. From 2012 until 2016, the cost of insulin for people with type 1 diabetes nearly doubled, from \$2,864 per year to \$5,705.⁷ Unless we pass a national price cap on widely-used drugs like insulin, there could be no end to the increases in sight.⁸ As U.S. Senator, **Sarah will work to set a price cap on drugs and claw back the cost of drugs whose prices have spiked higher than the rate of inflation.**

³ Goldman and Lakdawalla, [The global burden of medical innovation](#)

⁴ Brownlee and Lenzer, [No, Negotiating for Lower Drug Prices Won't Hurt Innovation or Seniors | Washington Monthly](#)

⁵ Simmons-Duffin, ["How An 'International Price Index' Might Help Reduce Drug Prices"](#)

⁶ Kaiser Family Foundation, ["Potential Savings for Medicare Part D Enrollees Under Proposals to Add a Hard Cap on Out-of-Pocket Spending"](#)

⁷ Health Care Cost Institute, [Spending on Individuals with Type 1 Diabetes and the Role of Rapidly Increasing Insulin Prices - HCCI \(healthcostinstitute.org\)](#)

⁸ Diamond, [Democrats' plan to cap consumer insulin costs faces GOP threat, skeptical advocates](#)

Fighting Back Against Big Pharma Profiteering & Influence In Washington

No one should have to skip a dose or cut doses in half to make a prescription last longer in order to save money.⁹ Yet that's exactly what some Americans have been forced to do when they can't afford their medication – even as big pharmaceutical companies rake in record profits.

That's why Sarah will fight against the monopolistic, anti-competitive arrangements that our current system has been actively allowing and that Big Pharma has enjoyed for far too long. Sarah will work to put an end to Big Pharma's stranglehold on Washington and work to lower prescription drug prices once and for all. **And, unlike some Democrats,¹⁰ she has never – and will never – accept any corporate PAC contributions, including from Big Pharma.**

The U.S. is one of two countries in the world that allows drug companies to advertise prescription drugs directly to consumers.¹¹ In the U.S., those drug ads are great for Big Pharma's bottom line. A Government Accountability Office study found that, between 2016 and 2018, drug companies spent \$17.8 billion on direct to consumer advertising, with Medicare beneficiaries paying \$324 billion for advertised drugs during the same period.¹² Currently, those drug companies' advertising expenses are tax-deductible, which means that the more Big Pharma advertises, the more tax deductions they receive.

As U.S. Senator, **Sarah will support reforms like those proposed by Senators Tammy Baldwin and Jeanne Shaheen¹³ to eliminate the advertising loophole that the pharmaceutical companies have exploited to consumers' and taxpayers' detriment.**

The pharmaceutical industry has long claimed that the costs associated with Research & Development justified higher drug costs for Americans, but this has been refuted by multiple studies.¹⁴ **Sarah will work to increase transparency when it comes to drug development costs and tax incentives for drug development. She will also push to require manufacturers to repay tax credits and research grants they received for developing a drug if they are found to have price-gouged American consumers and their revenues exceed a certain threshold.**

Cracking Down on Patent Abuse by Big Pharma

Far too many pharmaceutical companies are abusing the U.S. patent process to protect their profits and keep costs higher for consumers.¹⁵ They do that by making minor changes to a drug to create a new,

⁹ Leonhardt, "[Americans are skipping medically necessary prescriptions because of the cost](#)"

¹⁰ Burke, [Why Big Pharma Is Winning Again | Washington Monthly](#)

¹¹ Harvard Health Publishing, [Do not get sold on drug advertising - Harvard Health](#)

¹² CBO, [Prescription Drugs: Spending, Use, and Prices](#); GAO, [Medicare Spending on Drugs with Direct-to-Consumer Advertising](#)

¹³ Baldwin bill, <https://www.baldwin.senate.gov/news/press-releases/end-taxpayer-subsidies-for-drug-ads-act>; Shaheen bill, [Shaheen Reintroduces Bill to Stop Big Pharma from Exploiting Advertising Tax Loophole | U.S. Senator Jeanne Shaheen of New Hampshire \(senate.gov\)](#)

¹⁴ Yu, Helms, and Bach, "[R&D Costs For Pharmaceutical Companies Do Not Explain Elevated US Drug Prices](#)"; Arndt, "[High U.S. drug prices cannot be explained by R&D spending alone](#)"

¹⁵ Johnson and Brough, [Big Pharma is abusing patents, and it's hurting Americans \(opinion\) | CNN Business](#)

separate patent, a process called “evergreening,” or they do it by creating a web of overlapping intellectual property rights called a “patent thicket.”¹⁶

Patent thickets are anti-competitive and can lead to higher drug costs for consumers.¹⁷ For example, there have been a total of 584 patent applications filed for five of the top-10 selling drugs in the United States *after* their initial FDA approval. These extraneous patents can result in decades of monopoly pricing without competition because competitors must litigate to break through these meritless patents.¹⁸

That’s why **Sarah will work to enact legislation requiring drug companies to assert all relevant patents promptly so that other drug developers can cut through pharmaceutical patent thickets faster.** And she will **advocate for improvements to the process the Patent and Trademark Office currently uses to reconsider and declare invalid an already-issued patent, with a goal of improving patent quality and limiting unnecessary and counterproductive litigation costs.** Lastly, **Sarah will work to address the 12-year market exclusivity period for biologics.** The United States’ exclusivity period is much longer than other countries and allows for pharmaceutical companies to set higher prices. By reducing the length of time for exclusivity, it can also reduce prescription drug costs for Americans.

Democrats and Republicans across the country agree, prescription drug costs are way too high, and it’s long overdue for Congress to do something about it. Sarah’s plan will put an end to pharmaceutical companies’ stranglehold on Washington and make prescription drug prices more affordable for Wisconsinites. Sarah will fight to rein in out-of-control price increases, cap extra costs, and finally end wasteful tax breaks to multimillion-dollar drug manufacturers. This plan will cut costs for the federal government and for families across Wisconsin, ensuring that they can achieve the quality of life they deserve without being shackled to outrageous prescription bills.

¹⁶ CAP, [Value-Based Pricing of Prescription Drugs Benefits Patients and Promotes Innovation - Center for American Progress](#)

¹⁷ Pharmaceutical Care Management Association, [“Patent Thickets” are Anti-Competitive and Lead to Higher Drug Costs](#)

¹⁸ Association for Accessible Medicines, [Abuse of the patent system is keeping drug prices high for patients](#)