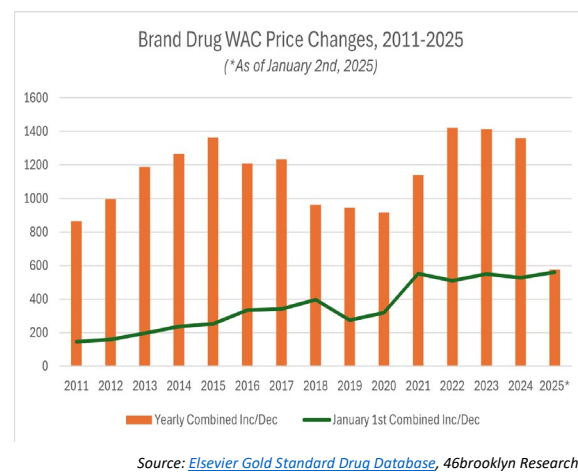
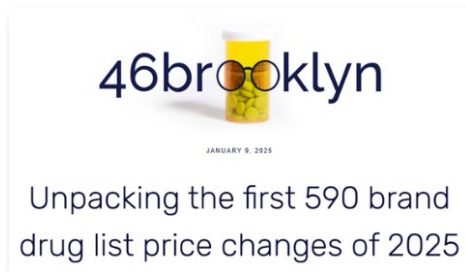


Big Pharma again rang in the New Year with egregious price hikes.

A January 9 46brooklyn report found that Big Pharma raised the prices on nearly 600 drugs.¹ This follows increases on 775 brand named drugs last January, spanning medications for a broad range of diseases including treatments for cancer, multiple sclerosis, hypertension, and arthritis. *But the increases don't stop at the start of the year.* Since 2016, roughly a third of all brand drug list price increases occur on January 1 with subsequent increases occurring in July.



Higher prices but no new clinical benefit for patients.

The Institute for Clinical and Economic Review's (ICER) December 2024 report found that the price increases for just five drugs added \$815 million in costs to the U.S. health system despite no new evidence to justify the price hike. Since its inaugural report in 2019, ICER has estimated that unsupported price increases added more than \$10.5 billion on 29 commonly used therapies to treat cancers and various chronic conditions, including arthritis, heart disease and HIV.² While Big Pharma has long cited investment in research and development (R&D) in bringing new drugs to market as justification for price increases, a 2021 Congressional Budget Office report found *no relationship between R&D costs and the prices drug companies set.*

Greater accountability of Big Pharma's increases is needed

Increased transparency will protect consumers and employers from out-of-control drug costs. The 2020-2021 enacted state budget created the Drug Accountability Board in the Department of Financial Services, giving the Superintendent the ability to investigate when the cost of a prescription drug increases over 50% in a calendar year.

This threshold should be lowered, allowing the Board to identify up to 10 prescription drugs that the state spends significant health care dollars and drugs whose price has increased by 50% or more over the last five years or by 10% or more over the prior 12 months, and requiring drug companies to explain the justification for excessive price increases. As there is little to no correlation between significant price increases and clinical improvements, this should include how often the price of the drug has increased and the rationale for the increases, the direct costs associated with manufacturing, such as R&D and materials costs, and marketing and distribution spending.

Lowering the threshold would be an important step to hold Big Pharma accountable and determine whether the price increases they charge are justified.

"We continue to see list price increases that are far above the rate of inflation for many of the costliest drugs. This impacts everyone in the country, especially patients and their families."

— Foluso Agboola, ICER VP of Research

¹ <https://www.46brooklyn.com/news/january-2025-unpacking-the-first-590-brand-drug-list-price-changes-of-2025-nf849>

² https://icer.org/wp-content/uploads/2024/12/UPI_2024_Report_121224.pdf