

*****FTP, VIDEO & AUDIO*****

DURBIN: NEW LEGISLATION WILL REQUIRE DISCLOSURE OF DRUG PRICES IN ADVERTISING

Drug Advertising Steers Patients Toward Expensive Drugs, Drives Up Health Care Costs

Drug Industry Spent More Than \$100 Million in Direct-to-Consumer Advertising for Each of the Top 16 Brand-Name Prescription Drugs in 2015

WASHINGTON—In a speech on the Senate floor, U.S. Senate Democratic Whip Dick Durbin (D-IL) today previewed new legislation, which will be introduced this week, that will empower patients and promote transparency by requiring the pharmaceutical industry to provide more information about the cost of drugs in their advertisements. The *Drug-price Transparency in Communications (DTC) Act of 2017* would require drug companies to disclose the Wholesale Acquisition Cost (WAC) of a prescription medication in direct-to-consumer (DTC) advertising and in marketing to prescribers. Each year, the pharmaceutical industry spends more than \$5 billion in DTC prescription drug advertising and more than \$20 billion in aggressive marketing to prescribers.

“Every hour on television, an average of 80 drug ads are aired. The average American sees nine of these pharmaceutical ads every day. In fact, drug companies spend more each year on advertising than the entire budget of the Food and Drug Administration. As common as these direct-to-consumer ads are, drug companies spend four times as much as the cost of these ads on an army of sales representatives who target doctors who write prescriptions,” said Durbin.

He continued, **“Why do the biggest pharmaceutical companies in America spend billions of dollars to promote and advertise their drugs? For one reason: it increases sales. It increases profits. So I’m introducing a bill – The Drug-price Transparency and Communications Act – to require the disclosure of prices in direct-to-consumer ads and promotions to doctors. Doctors, patients, and families agree – if drug makers are going to fill the airwaves with pharmaceutical ads, they must tell the whole story and provide full information about drug costs.”**

Video of Durbin’s remarks on the Senate floor are available [here](#).

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Footage of Durbin’s remarks on the Senate floor is available [here](#) for TV Stations.

Studies show that patients are more likely to ask their doctor for a specific brand-name medication, and doctors are more likely to prescribe one, when they have been marketed directly with drug advertisements. For these reasons, most countries have banned DTC prescription drug advertising with the United States and New Zealand being the only two developed countries that

allow it. The American Medical Association has called for a ban on DTC prescription drug advertisements, as well as mandatory price disclosure as part of prescription drug marketing. With billions in targeted spending on drug advertisements, patients and doctors are bombarded with information but are kept in the dark on one of the most important factors – the cost of the drug.

Specifically, the *Drug-price Transparency in Communications (DTC) Act of 2017*:

- Would require that DTC advertisements disclose the Wholesale Acquisition Cost (WAC) of a drug. Failure to do so would be penalized as a false or misleading statement, resulting in a fine of up to \$1 million for a first-time violation that would be transferred to the National Institutes of Health (NIH) for medical research; and
 - Directs the FDA to issue regulations on the specific manner in which the per-month WAC must be disclosed, which shall include a single price, visual and audio listings, and may include a brief qualitative explanation that the drug may be available to certain patients for less.
- Would require pharmaceutical communications with health care practitioners to include the WAC of the drug. Failure to do so would be penalized as an unfair and deceptive trade practice under an administrative complaint process.

The *Drug-price Transparency in Communications Act of 2017* is endorsed by: American College of Physicians; Consumers Union; and Chicago Medical Society.