

United States Senate

WASHINGTON, DC 20510

May 18, 2018

Giovanni Caforio, M.D.
Chief Executive Officer
Bristol-Myers Squibb
345 Park Avenue
New York, New York 10154

Dear Dr. Caforio:

The skyrocketing cost of prescription drugs is squeezing American families with high pharmacy and insurance premium costs, and straining taxpayers with increased Medicare and Medicaid spending on brand-name pharmaceuticals. Three-quarters of the public believe that prices of brand-name prescription drugs are unreasonable, and President Trump has proclaimed that drug corporations are, “getting away with murder.” Last year, we introduced the Drug-price Transparency in Communications Act (S.2157), which would promote transparency and empower consumers by requiring price disclosure in prescription drug advertising. In light of recent attention and scrutiny of the pharmaceutical industry’s marketing practices, we write to urge you to take an initial step to lower drug costs by listing the price of your prescription drugs in any direct-to-consumer advertisements.

Each year the pharmaceutical industry spends more than \$6 billion in drug advertising—more than the entire budget of the U.S. Food and Drug Administration, which oversees these promotions and the safety of our drug market. The motivation is clear—direct-to-consumer drug advertising increases sales on high-cost, brand-name medications and promotes over-utilization of drugs that may not be necessary for patients. According to the American Medical Association, “direct-to-consumer advertising inflates demand for new and more expensive drugs, even when these drugs may not be appropriate.” That is why most countries have banned direct-to-consumer prescription drug advertising—the United States is only one of two developed countries in the world that allows it.

With billions in targeted spending on drug advertisements, patients are bombarded with information—an average of 80 prescription drug commercials air every hour on television—but are kept in the dark about one of the most important factors: price. Too often, after seeing an advertisement for a new drug, the “moment of truth” for a patient only occurs at the pharmacy check-out. No other industry shrouds the price of a consumer good in such a way—patients deserve more drug price transparency. When Bristol-Myers Squibb spends over \$224 million each year on its television advertisements in the United States, it should tell the whole story and provide clear information about drug costs, so patients can make informed decisions.

That is why we introduced the Drug-price Transparency in Communications Act, to require disclosure of pharmaceutical prices in direct-to-consumer drug advertisements. The legislation would provide flexibility in how drug companies would specifically disclose the average price to consumers, and we would be eager to discuss the most suitable manner to do so.

We are pleased that the President recently acknowledged the importance of requiring price disclosure on direct-to-consumer ads—it is our hope that he will actually follow through. As an honest first step to the American public, we urge you to immediately and voluntarily commit to transparency and disclose the price of your prescription drugs in direct-to-consumer advertisements.

Sincerely,



Richard J. Durbin
United States Senator



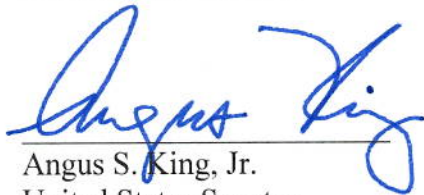
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