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United States Senate

COMMITTEE ON HEALTH, EDUCATION, LABOR,
AND PENSIONS

WASHINGTON, DC 20510-6300

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July 10, 2023

The Honorable Xavier Becerra
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Becerra:

Alzheimer's is a horrible disease. We must do everything possible to find a cure for the millions of people who suffer from it today, and the millions more who will be afflicted in the coming years. But, as we grapple with the huge number of Americans who will be seeking medical treatment for Alzheimer's, we must develop policies *now* that prevent pharmaceutical companies from bankrupting Medicare and our entire health care system.

On June 7, 2023, I sent you a letter urging you to use the full extent of your authority to ensure that taxpayers are not forced to pay an outrageously high price for the new Alzheimer's drug Leqembi.

I also asked you a series of questions on how the \$26,500 price tag for Leqembi will impact the finances of Medicare, out-of-pocket costs for senior citizens and Medicare premiums.

Unfortunately, I have yet to receive a response to this letter.

And let's be clear: The high price of prescription drugs is not limited to Leqembi. Many new drugs coming onto the market to treat cancer, obesity and other serious conditions are even more expensive. In fact, more than half of new prescription drugs in America today cost more than \$220,000 per year. Given this reality, it is simply unsustainable for Medicare to pay any price that pharmaceutical companies want to charge for new products.

Not only does the high price of Leqembi threaten Medicare's finances, it will also negatively impact seniors on fixed incomes suffering from Alzheimer's who simply cannot afford to pay the 20 percent co-payment of more than \$5,000 a year for this drug. With a median income of about \$30,000 a year for seniors on Medicare the purchase of this one drug would amount to over one-sixth of their limited income. For one drug! That is unacceptable. A prescription drug is not effective if a patient who needs that drug cannot afford it.

Please respond in writing to the following questions no later than July 21, 2023:

1. Do you think that the \$26,500 price that Biogen and Eisai want to charge for Leqembi is reasonable? You will recall that Biogen's last Alzheimer's product, Aduhelm, was initially marketed at \$56,000. That price was then cut in half because of public outrage. Are you aware of any rational justification for this \$26,500 price or is this just another example of the greed of the pharmaceutical industry? Is there any particular reason why the cost of this drug cannot be reduced to \$8,900 - which is the price independent experts believe it should cost based on its effectiveness?
2. As you know, the Leqembi treatment is not simply taking a pill. Administering Leqembi will also require a series of very expensive tests and monitoring. Please tell me how much this new drug will cost Medicare per year, including testing and administrative costs.
3. Assuming that the outrageous cost of this new drug will be paid for by raising premiums for all Medicare beneficiaries, please tell me how much premiums will increase as a result of Leqembi.
4. Despite being forced to pay higher premiums many seniors on fixed incomes will not be able to afford the treatment because of the more than \$5,000 co-payment. Does the Department have an estimate as to how many seniors with Alzheimer's will be unable to afford this treatment because of the 20% Medicare copayment?
5. The impact of Leqembi on Medicare finances is only the tip of the iceberg. As you know, more than half of new prescription drugs in America today cost more than \$220,000 per year. These prices are clearly unsustainable and will either bankrupt Medicare or raise premiums to an unaffordable level. Does HHS have any strategy whatsoever to lower drug costs in America and protect Medicare for seniors and future beneficiaries? For example:
 - A. Are you prepared to use your existing authority, under 28 U.S.C. Section 1498, to break the patent monopoly on exorbitantly priced prescription drugs?
 - B. What is the status of the appeal for using march-in rights for Xtandi—the cancer drug invented with taxpayer dollars that can be purchased in Canada for one-fifth the U.S. price?
 - C. Will you reinstate and strengthen the “reasonable pricing” clause requiring pharmaceutical companies to charge affordable prices for new products when they benefit from taxpayer support?
 - D. What other steps will you be taking to lower the cost of prescription drugs.

As Chairman of the Senate Committee on Health, Education, Labor, and Pensions, I look forward to your answers to these questions. If I do not receive an adequate and timely response, I will be inviting you to attend a HELP Committee hearing so that you can explain to the American people why we pay, by far, the highest prices in the world for prescription drugs and how those outrageous prices threaten Medicare beneficiaries and patients throughout the country.

Sincerely,



Bernard Sanders

Chair

U.S. Senate Committee on Health, Education, Labor, and Pensions