

AARP[®] Real Possibilities Colorado

AARP CO Testimony on SB19-005

January 31, 2019 by Dr. Shirley J Leow

Madam Chair and Committee Members, I am Dr. Shirley Leow, current chair of the AARP CO Volunteer Legislative Advocates. I am here representing the AARP CO's more than 680,000 members who are strongly supportive of initiatives to lower out-of-pocket drug costs, such as SB19-005. My 40 year career in the pharmaceutical and biotechnology industry included research and development, pharmacovigilance, leading of drug development and manufacturing teams, sitting on the corporate finance committee and presenting to various health authorities worldwide. Thus I have an inside view of drug development from discovery through global market approval.

Seniors ages 65 years and older comprise about 12 percent of the US population and currently about 14 percent in Colorado. This age group accounts for greater than 34 percent of all prescription medication use and 30 percent of over-the-counter use. The average senior is taking four chronic drugs and according to the Kaiser Foundation (Jan 29, 2019), out-of-pocket costs can be as high as \$16,600 for a single specialty drug and average \$10,000 annually for consumers.

Nearly 50 percent of seniors rely on Social Security to provide half of their income during retirement. For one in five seniors, Social Security provides 90% of their income. (US Center on Budget & Policy Priorities, August 14, 2018) With prescription drug prices rising (6.3 %) in 2018 more than three times the rate of inflation (2.2%) and significantly higher than any Social Security cost of living rate increase (1.6%) (*Fortune*, Jan 2, 2019), every day choices are made between food, utilities and medications. This alarming trend in price increases predicts a future

in which older Coloradans, especially those on fixed incomes, will be unable to make ends meet. Furthermore, with prescription drugs now being about 16 percent of total healthcare costs, Medicare and Part D premiums, co-pays, and out-of-pocket costs will rise in response, thus compounding the financial distress for seniors who may no longer be able to afford healthcare, even for those on Medicare.

In response to the concerns for Canadian prescription drug safety which were made during the stakeholders meeting last week, I add the following comments. There are 480 pharmaceutical and biotechnology companies registered and operating in Canada. Included are all the large companies incorporated in the US. Both the US and Canada develop and manufacture drugs and biologics under the ICH (International Conference on Harmonisation) and ISO (International Organization for Standardization) standards which are accepted and inspected by global health regulatory authorities. Adherence to these standards is most effective and financially efficient means to have new products registered as quickly as possible around the world. Furthermore, while the majority of the US FDA fast-tracked approvals are jointly reviewed between the US and Canada, the US-Canada Regulatory Cooperation Council formed in 2011 recognizes each other's systems with a confidence that we can leverage each other's science-based work. These provisions ensure the quality of medications distributed, marketed and sold in the US and Canada. What is safe for the Canadian market, is also safe for the US consumer.

AARP supports importation of FDA approved prescription medications from licensed pharmacies and wholesalers operating in Canada. Prescription drug prices are putting medically necessary medicines beyond the reach of older Coloradans, even those with Medicare. We in AARP CO appreciate your ongoing efforts to explore new and creative avenues to curb the increasing costs of prescription drugs. We strongly support SB19-005 and urge this committee to move this bill forward with a favorable recommendation.