



## Let's end price gouging with generic drugs

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In my time as a state representative, I've been a big advocate of criminal justice reform. I think a lot of people who wind up in prison don't belong there. Incarceration often doesn't help folks get on the right path.

Still, I had to smile when I heard about the sentencing of Martin Shkreli, the infamous "pharma bro" who got rich by raising prices 5,000 percent on life-saving medication.

He deserves to be in prison. And drug companies like his shouldn't be able to get away with that kind of price gouging.

That's why I've introduced House Bill 4900, the Generic Drug Pricing Fairness Act. It will empower the Attorney General's Office to investigate egregious price increases on generic and off-patent prescription drugs. If the only reason for the price spike was a desire to cash in on sick patients, the manufacturer will be held accountable. They'll have to provide rebates to consumers and sell the drug at the pre-gouging price.

Ike Brannon of the libertarian Cato Institute editorialized against the bill in these pages recently. Most generics are actually cheaper than on-patent drugs, he argued, so why regulate them?

That's like arguing that we shouldn't have arson laws because most people don't burn down buildings.

It's true that on the whole, generic and off-patent drugs are cheaper than their patented counterparts. It's also true that some manufacturers are unquestionably exploiting consumers to get rich. A federal report that looked at 1,400 generic drugs over five years found 300 instances of "extraordinary" price increases of over 100 percent in a year.

Most companies are doing the right thing. Some aren't. We're going after the bad actors.

"Market forces and competition constrain drug prices," Brannon argued, so government doesn't need to intervene.

But if that's the case, how are all these extraordinary price hikes happening?

Well, instead of a vibrant marketplace of competition, it turns out that most generics are made in monopolistic environments. Health economist Dr. Rena Conti writes that around 40 percent of

generic drugs are supplied by only one company. More than half of generics have fewer than three suppliers.

Brannon's claim that "few generics have gone up in price" is little comfort to the AIDS patients who had to buy Shkreli's Daraprim for \$750 a pill. To the parents of children with allergies who saw their EpiPens go up 600 percent in price. To the Legionnaire's patients who have seen the prices of the antibiotic erythromycin go from 24 cents to \$9 a dose, an increase of almost 4,000 percent.

For those drug makers who are keeping costs low, HB 4900 will mean nothing. But for those who are engaging in price gouging, it'll mean an end to the days of taking advantage of the sick and vulnerable to pad their bottom lines.