

## U.S. Senator Maria Cantwell

### Finance Committee Hearing on the Inflation Reduction Act and Health Care Costs

September 17, 2024

#### Sen. Cantwell Opening Remarks

[\[VIDEO\]](#)

**Sen. Cantwell:** Thank you, Chairman Wyden and Ranking Member Crapo for this important hearing, and thank you to the witnesses for illuminating with your research some of the events that have happened since the IRA. Very much appreciate that, particularly, Dr. Conti, your comments as it relates to the marketplace and the stimulus that it provides for innovation.

I know from my own data, 288,000 Washingtonians are benefiting from the out-of-pocket cap. I very much appreciate that. 144,000 Washingtonian seniors will benefit from the negotiated rate. I am with Senator Wyden here, this does feel a little root canal-ish, with all this data and information. I'm perplexed, I'm so perplexed, I don't get what people don't understand about giving the federal government, a big purchaser, the right to negotiate.

I'm pretty sure I go to the grocery store every night and it says, 'here's the price for this, but if you buy three, you get a discount'. Pretty sure I have a major employer in my state called Costco, and the entire model is, if you buy in bulk, you get a discount. So the only question is, are there people who don't believe that the federal government, a big purchaser, should have the right to buy in bulk?

I like your research, because it shows it isn't affecting. I know a lot of businesspeople that love the bulk concept. Why? They can sell more. When we were able to do some things on the Affordable Care Act to allow states to negotiate and buy in bulk, they drove big discounts. And why? Because the private sector stepped up to the plate and said, "Of course, I'd like 100,000 customers or 400,000 customers."

So I am perplexed why someone doesn't believe that giving the federal government – now I know, Mr. Chairman, we had this hearing once before, and there were witnesses who basically said, "no, that's not a market power." If it's not a market power, how come everybody in the private sector is using it as a market power? We just want the federal government to have the same market power that the private sector uses, and it is a business concept.

I would like to ask you, this Jardiance is one thing that is driving a big reduction for my constituents. An Edmonds resident takes that for diabetes, and now my constituent has a copayment over \$500 for a 100-day supply. He is considering cutting the dosing. If we have something to work out here, they might be able to get that at a cheaper rate. Why isn't that good for everyone? Dr. Conti.

**Dr. Conti:** It is good for everyone, put simply. Seniors win by paying lower prices at the pharmacy counter, and we expect adherence will increase, and better health will follow. In addition, it is good for pharma companies to have the prices lower. Why? More sales. And with more sales, more revenue is generated.

**Sen. Cantwell:** Thank you. I heard your testimony, and I realized, she's got it, she understands this. And most people in the private sector do too, and that is why they use it, and that's why they discount. Because if you buy in bulk, they get to sell more of their product.

The only thing that's happening right now is somebody who is abusing market power, the PBMs. And that's why Senator Grassley and I have tried to take them on over their ability to just throw at the market a price, and basically put pharmacies out of business and dictate to everybody. It's not market power, it's market abuse.

Thank you, Mr. Chairman, so appreciate this hearing.

**Senator Wyden:** Heaven forbid Senator Cantwell brings real common sense and logic to this almost incomprehensible subject. Thanks for the good work on PBMs, not just on your committee, but on this committee where we got a 26 to nothing vote.