

United States Senate

WASHINGTON, DC 20510

January 31, 2025

Stephen J. Ubl
President and CEO
Pharmaceutical Research and Manufacturers of America
950 F Street NW, Suite 300
Washington, DC 20004

Dear Mr. Ubl:

Drug manufacturers in the United States spend approximately \$6 billion annually in direct-to-consumer (DTC) prescription drug advertisements, with approximately one-third of all commercial time across evening news programs being consumed with these pharmaceutical promotions. It is a similar story when consumers stream their favorite show or scroll through social media. Yet consumers learn nothing from these advertisements about the cost of the prescription drug. This must change.

A recent study in the *Journal of the American Medical Association* found that more than two-thirds of drugs advertised on television were considered “low therapeutic value”. This creates concern for taxpayers, as a review we requested from the Government Accountability Office (GAO) found prescription drugs advertised on television accounted for 58 percent of Medicare’s overall spending on prescription drugs between 2016-2018. In 2022, the two most-advertised drugs on television alone accounted for \$1.7 billion in Medicare spending.

The United States is one of only two developed countries in the world that permits such pharmaceutical commercials. President Trump’s nominee for Health and Human Services Secretary has expressed interest in outright banning this practice. It would be wise for drug companies to adopt commonsense solutions to address the concerns that have been raised about DTC prescription drug advertising.

As you are aware, the United States Senate previously voted unanimously to pass our measure to require that pharmaceutical companies disclose their list prices in DTC ads, and it is our hope that this policy will become law this Congress. This bipartisan legislation would ensure that when patients are bombarded with information about the newest wonder drug, the price is not kept secret. President Trump previously has issued regulations to advance this policy.

There is a lot of value in knowing a prescription drug’s list price, the most accessible and standardized price of a drug, which is set by the manufacturer itself. This is especially important for consumers with high-deductible health insurance plans, those who are underinsured, or have no health insurance coverage at all—particularly as efforts are underway to reform the rebate structure used by pharmacy benefit managers.

Some of your member companies previously disclosed drug list prices in advertisements, and PhRMA previously has wanted to be more transparent with the American public about price information for advertised medications. We appreciate that 35 drug manufacturers voluntarily

have certified to follow PhRMA's "Guiding Principles on Direct-to-Consumer Advertisements," which includes directing patients to find information about the cost of medicine, including the list price, on the company's website. We are glad that drug companies agree that consumers should know the price of a prescription drug before purchasing it. But in instances where manufacturers currently do opt to provide pricing information (e.g., "pay as little as \$0 per dose"), they can understate or obscure a patient's out-of-pocket liability.

Studies show that patients are better able to approximate their out-of-pocket expenses when provided with the list price. When voluntarily choosing to promote medications over the airwaves, manufacturers already are required to disclose safety, side effects, and contraindication information. Yet, for many patients, price plays a primary role in clinical adherence.

Recently, we reintroduced our bipartisan legislation (S.229) to bring price transparency to DTC prescription drug ads. In addition to President Trump's previous support, our bill in the 118th Congress was cosponsored by Vice President Vance. Given PhRMA's stated support for pharmacy benefit manager transparency, it is only reasonable to have transparency across the pharmaceutical supply chain.

We urge you to take the reasonable, minimal step of embracing our bipartisan legislation to empower patients and providers and commit to voluntarily disclosing list prices in DTC advertisements. Thank you for your attention to this important matter.

Sincerely,



Richard J. Durbin
United States Senator



Charles E. Grassley
United States Senator