

THE TRUTH ABOUT PFIZER



How Pfizer's price hikes pad profits and hurt patients

PATIENTS FOR **AFFORDABLE DRUGS**[™]

Paid for by Patients For Affordable Drugs

Patient Pain

April Knowles has incurable breast cancer and takes the Pfizer therapy Ibrance to extend her life and time with her husband and 12-year-old son. The price? About \$13,000 every 28 days. When it was first approved in **February 2015**, Ibrance had a price tag of \$9,850 a month. That's an increase of nearly one-third in just four years.



April Knowles

"I pay attention to price hikes because drug corporations could easily decide if I get to live or die," Knowles said. "Pfizer in July 2018 said it would freeze the prices of its medications, but that sure didn't last."

The drug corporation is kicking off 2019 by hiking the prices of more than three dozen medications. It plans to increase the prices of 41 drugs on **Jan. 15**.

"Pfizer should hold itself to a higher standard and actually lower prices," she said.

What Must Change

A new report by Patients For Affordable Drugs examines the toll these increases have on patients; explores Pfizer's history of price hikes; demonstrates how Big Pharma executives are rewarded for hiking prices; and explains how Pfizer spends millions to maintain a rigged system.

Patients For Affordable Drugs, a patient advocacy organization that takes no money from the pharmaceutical industry, **is asking Pfizer to lower prices on existing drugs by 1 percent in each of the next three years.** It calls on Pfizer to increase its revenue by introducing innovative new drugs instead of hiking the prices of old ones.

“Pfizer could lead on drug prices. Instead, former CEO Ian Read was no different than Martin Shkreli and other greedy executives who abuse the system to increase profit off old drugs while hurting patients and taxpayers.”

— David Mitchell, President and Founder,
Patients For Affordable Drugs

TOP 3 Pfizer

Drugs Hurting Patients

While hundreds of Pfizer's drugs have gone up in price, Patients For Affordable Drugs analyzed its database of more than 15,000 patient stories to understand which Pfizer price hikes cause the most pain to patients. Our analysis found patients writing heartbreaking stories of mental and physical harm caused by Pfizer's drug price increases. But three drugs stood out among the stories.

1. Lyrica

Lyrica's price tag is hurting patients. According to Senate **documents** Pfizer increased the price of Lyrica by 145 percent from 2009 to 2015, with an increase of 19.3 percent in 2017 alone. Additionally, Pfizer applied for and was issued pediatric exclusivity for Lyrica which gave them six additional months of exclusivity – preventing a lower-priced generic from coming to market. Lyrica was prescribed to 850,000 Medicare patients in 2016 alone, costing the program \$2.1 billion. We have heard from over 400 patients about their challenges to afford Lyrica – a drug that treats potentially debilitating nerve and muscle pain and costs nearly **\$550 a month retail**.

Doctors prescribed Pfizer's blockbuster drug, Lyrica, to treat the pain and symptoms of my fibromyalgia. It was the drug that I had long been waiting for as it ameliorated much of the pain I dealt with on a daily basis. When I found out it would cost me \$550 out of pocket each month, even with the discount card, I was stunned. And it would mean only taking a third of the dose my doctor ultimately wanted me to take. Pfizer needs to be held accountable for their skyrocketing drug prices and these unconscionable price hikes.

— Meg Jackson-Drage, Lyrica patient, Utah

2. Spirivia

Spiriva is vital for many patients living with COPD, a chronic lung disease affecting **16 million Americans**. Spiriva is an inhaled medication that provides patients relief from the often devastating disease. While patients suffer, and taxpayers pay the **billions Medicare spends** on Spiriva and other inhalers for COPD, Pfizer has hiked the price again and again. From 2012 to 2017, Pfizer raised the **price of Spiriva** by 31 percent landing on a list price of \$368 for one month's supply. We hear from patients who are suffering under the burden of the cost – a cost they must endure to ensure they continue to breathe.

3. Xeljanz

In the early 1990s, the **National Institutes of Health discovered** an important pathway that could be used to address a variety of inflammatory diseases. Pfizer utilized the taxpayer-funded research to develop its blockbuster drug, Xeljanz. In 2013, Pfizer brought Xeljanz to market for **\$24,666 per year**, an amount that at the time the New York Times called

"eye-popping."

Xeljanz contd.

Today, Xeljanz can be used to treat **rheumatoid arthritis, ulcerative colitis, and psoriatic arthritis**, growing the market for Pfizer. The company raised the price of Xeljanz anyway increasing it by **44.3 percent** over just three years. In early 2018, Pfizer increased the price again by 8 percent, bringing it to a whopping **\$50,000 a year** – doubling the original price in just five years. Patients with inflammatory diseases are desperate for innovation, and Xeljanz could have been a huge win for them. Instead, the cost to receive the medication is astronomical despite depending on groundbreaking research paid for by taxpayers.

Pfizer reaps the benefit **while patients suffer** and **taxpayers pay twice.**



Ibrance

Dishonorable Mention

Ibrance was a breakthrough cancer treatment for patients with metastatic breast cancer. **Approved** by the FDA in early 2015, clinical studies have shown that Ibrance delays the progression of metastatic breast cancer for a median time of **nearly one year**. The drug costs most patients around \$10,000 a month and many women are dependent on it to extend their lives. Pfizer executives are dependent on it to pad their pockets. **In 2018's second quarter alone**, Ibrance brought in \$744 million worth of sales in the United States and \$1.03 billion in the rest of the world. Meanwhile, patients make choices between buying their groceries and affording the Ibrance they need to survive.

A History of Price Hikes

Patients' struggles are a direct result of years of unchecked Pfizer drug price hikes.

Historically Pfizer has increased prices of its medications multiple times per year, far exceeding the rate of inflation.

In 2017, Pfizer raised the price of 91 drugs by 20 percent – that was nearly 10 times the rate of inflation.

In 2016, Pfizer was one of seven drugmakers that relied on price hikes for 100 percent of its earnings growth, meaning it was totally reliant on price hikes to grow its business – instead of innovating to create new **drugs**.

“The net effect of price increases on this many products is far more costly and impactful for the American health economy than anything Martin Shkreli ever did by raising one drug by 5,000 percent,” Michael Rea, chief executive of Rx Savings Solutions, which makes software to help patients and employers cut their drug expenses, told **The Financial Times**.

A growing firestorm of public outrage and the increasing glare of political scrutiny has failed to meaningfully halt the multinational drug corporation's relentless march toward higher and higher prescription drug prices.

In mid-2018, Pfizer increased the prices of 100 prescription drugs weeks after President Trump said pharma would implement “massive” voluntary **reductions**.

The hikes elicited presidential scorn in the form of a **tweet**. Next, Pfizer agreed to roll back its mid-year hikes.

“The act of good faith proved extremely short-lived,” said David Mitchell, a cancer patient and P4AD's founder “Half-hearted promises in response to tweets do not fix the systemic problems America faces with drug prices. We need long-term structural reform to provide enduring relief.”

Pfizer plans to again raise the prices of its medicines – 41 drugs – **on Jan. 15**.

“The most recent spate of planned hikes underscore how Pfizer falsely paints itself as an innovator, but in reality, it simply hikes the prices of its old medicines to grow revenue and enrich executives and shareholders,” said Mitchell.


Pfizer Execs Love Price Hikes



As Pfizer has raised prices year after year and patients paid the price, Pfizer's former CEO, Ian Read, reaped the benefits. Over his time at Pfizer Read brought home

\$154.6 million.

In 2017, Pfizer announced \$10 billion in stock buybacks – that's money that made Pfizer execs richer and did nothing to bring new drugs to market.

A stylized, high-contrast illustration of a man's face, likely a political figure, wearing glasses. The illustration is in shades of gray and white, set against a background of faint, repeating floral or leaf patterns. The man's expression is serious. The illustration is positioned on the left side of the page, partially overlapping a blue horizontal bar at the top.

All the while, Pfizer continued to raise prices. As Read's compensation packages were comprised of **millions of dollars of stock options**, every time the company approved stock buybacks, he stood to profit. Meanwhile, every time they increased drug prices, patients directly suffered.

Pfizer's earnings from price hikes don't just go into the pockets of top executives; the corporation uses its profit from patients to buy political capital. Over the **last four election cycles**, Pfizer has donated nearly \$10 million to political campaigns. Additionally, it has spent nearly **\$100 million lobbying** on Capitol Hill over the same period of time.

What Next: The public wants action.

Patients like April Knowles are no longer willing to tolerate the relentless march of price hikes by bad actors like Pfizer.

According to a recent Harvard/Politico poll, 80 percent of voters believe Congress' top priority should be action to lower prescription drug prices.

“Pfizer could be a leader in addressing a critical national priority and lower prices of its existing drugs. **Bad actors like Pfizer need to get in line.** With CEO Ian Read gone, we hope Albert Bourla seriously considers change.”

– David Mitchell, cancer patient and founder,
Patients For Affordable Drugs

PATIENTS FOR AFFORDABLE DRUGS™



Jan. 14, 2019