

United States Senate

WASHINGTON, DC 20510

July 16, 2018

Ian C. Read
Chief Executive Officer
Pfizer Inc.
235 East 42nd Street
New York, NY 10017

Dear Mr. Read:

I am writing to gain more information regarding your recent prescription drug price announcement and to request that you make permanent price reductions for the prescription drugs Pfizer manufacturers. On July 1, Pfizer increased prices for the second time this year on many prescription drugs by nearly 10 percent.¹ Days later, Pfizer issued a puzzling statement that you would return the prices of over 40 prescription drugs “to their pre-July 1 levels as soon as technically possible” but only until the end of the year or until the President’s prescription drug “Blueprint” is implemented.² Instead of playing games with the costs of prescription drugs that millions of Americans depend on, you should make a firm and clear commitment to permanently roll back prices.

Major drug companies have drastically raised prices for top-selling drugs over the past five years, in some cases more than doubling prices. This is despite increased sales and company profits. Last year, President Trump signed partisan tax legislation passed by Congressional Republicans that gave permanent tax breaks to corporations such as Pfizer. Since then, drug corporations, including Pfizer, have announced more than \$50 billion combined in stock buybacks—largely benefiting top executives and wealthy shareholders as prescription drug prices continue to rise for American families.³ In fact, Pfizer and many other companies instituted price hikes on prescription drugs in January after the corporate tax cut became law.⁴ The other week, you increased prices again and it’s costing consumers.

Your announcement to temporarily defer this latest round of price hikes calls into question your actions to raise prices in the first place and provides no answers to consumers about whether this will help them better afford their medications now and in the long-run. I have heard from countless Wisconsinites who are struggling to afford medications that they have relied on for years. They want Washington to take real action. That is why I have offered a bipartisan solution, the *FAIR Drug Pricing Act*, to institute basic transparency and accountability for drug companies that raise prices.

Your apparent agreement with President Trump is exactly why we need transparency and accountability. I call on you to make these price reductions permanent and to reduce prices on other medications that have increased. In addition, to help consumers and taxpayers better understand what they are paying for, please provide answers to the following questions:

1. Which drug products are subject to the price increase deferral?

¹ <https://www.fiercepharma.com/pfizer-starts-july-100-price-hikes-ft>

² <https://www.pfizer.com/sites/default/files/news/Pfizer%20Statement%20July%202018.pdf>

³ <https://www.axios.com/pharma-share-buyback-tax-reform-40a30b93-6149-4c67-bd65-cd05ee814215.html>

⁴ <https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma>

2. What were the list prices for each drug prior to July 1 and what would the list price be for each should the price increase set for July 1 ultimately take effect?
3. Why are you rolling back prices on these products and not others that have been subject to price increases this year and in previous years?
4. Please explain why you instituted price increases for these drugs on July 1 and why you increased prices for drugs in January.
5. For each product subject to price increases this year, please include information on:
 - a. Marketing and advertising expenditures;
 - b. A description of the history of the price increases since approval or acquisition;
 - c. Total expenditures on research and development, including preclinical, basic, clinical and new drug development research; and
 - d. Total revenue and the net profit generated since approval or acquisition.
6. Will you commit to making the price increase deferrals on these drugs permanent if President Trump's Drug Pricing Blueprint does not take effect during this calendar year?
7. Will you end your stock buyback program and use profits and your corporate tax cut revenue to decrease drug prices?

Transparency and accountability are critical first steps in tackling the complex problem of high prescription drug prices. American families cannot afford any more games from powerful interests in Washington, so I ask that you commit to providing more information on this announcement and to making these and other price reductions permanent. I stand ready to work with you, the President and my colleagues in Congress to address skyrocketing prescription drug prices so that American families can finally be afforded the relief they so desperately need.

Sincerely,



Tammy Baldwin
United States Senator