February 13, 2019

The Honorable Doug Collins (R-GA)  
U.S. House of Representatives  
1504 Longworth HOB  
Washington, D.C. 20515

The Honorable Vicente Gonzalez (D-TX)  
U.S. House of Representatives  
113 Cannon HOB  
Washington, D.C. 20515

Dear Representative Collins and Representative Gonzalez:

The American Academy of Dermatology Association (Academy), which represents more than 13,800 members, is pleased to offer its support for H.R. 1034, the “Phair Pricing Act,” which is intended to ensure Medicare patients are the beneficiary of price concessions negotiated by pharmacy benefit managers (PBMs). Dermatologists diagnose and treat more than 3,000 diseases, including skin cancer, psoriasis, immunologic diseases and many genetic disorders. One in four Americans suffers from a skin disease. The Academy appreciates that H.R. 1034 would provide more transparency by passing along the savings to patients at the point of sale. We understand this is one step in a comprehensive effort to help make medications more affordable for the average American. Dermatologists are committed to providing the most effective and cost-efficient care and therapies to their patients, including those suffering from chronic, disabling conditions that interfere with activities of daily life, and have a substantial impact on their mental health and personal well-being. Dermatology drugs have been disproportionately impacted by rising drug prices. When drugs become cost-prohibitive for patients, they often go without.

The Academy strongly supports transparency in the role of PBMs in setting drug prices, so patients, physicians, pharmacists, and employers, including the federal government, know the true cost of prescription drugs. Consolidation of the industry and current financial arrangements must be monitored to avoid conflict of interest. The Academy believes PBMs must disclose how much of the rebates and discounts are passed on to the patient. Further investigation is necessary to determine the extent to which PBM negotiations and arranged rebates affect formularies, tiers, and drug prices.

The Academy has made patient access to affordable treatments and transparency in drug pricing a top priority. While H.R. 1034 is a targeted effort to address drug-pricing transparency across the drug supply chain, we appreciate your continued leadership in championing patient access issues. Please feel free to contact Christine O’Connor, the Academy’s Associate Director, Congressional Policy at coconnor@aad.org or (202) 609-6330 if you have any questions or if we can provide additional information.

Sincerely,

Suzanne Olbricht, MD, FAAD  
President  
American Academy of Dermatology Association