



April 8, 2019

The Honorable Steven Horsford  
1330 Longworth House Office Building  
Washington, DC 20515

The Honorable Tom Reed  
2263 Rayburn House Office Building  
Washington, DC 20515

Dear Representatives Horsford and Neal:

On behalf of the American Academy of Family Physicians (AAFP), which represents 131,400 family physicians and medical students across the country, I write to share the organization's support for "The Stopping the Pharmaceutical Industry from Keeping Drugs Expensive (SPIKE) Act of 2019." We are hopeful that if the SPIKE Act becomes law, it will reduce the cost of prescription drugs for family physician patients.

The AAFP believes that all people regardless of social, economic or political status, race, religion, gender or sexual orientation, should have access to primary medical care and other essential health care services. Care should be comprehensive, affordable, and include protections for those with financial hardships. Having both health insurance and a usual source of care (e.g., through an ongoing relationship with a family physician) contributes to better health outcomes, reduced disparities along socioeconomic lines, and reduced costs.<sup>i</sup>

Family physicians confront a fragmented and inefficient health system that all too often bankrupts families. Over the last 40 years, health spending has increased six times per capita, while wages have remained relatively stagnant.<sup>ii</sup> In a recent survey, forty-four percent of consumers reported not seeing their doctor because they could not afford it; thirty-two percent were unable to fill a prescription or took less of a medication because of its cost, and thirty percent say the cost of care impeded their families ability to afford other basic needs like food, housing, and heat.<sup>iii</sup> Skyrocketing drug costs displace family funds for other priorities, including non-pharmaceutical primary care.

Your legislation will create important backstops to arrest increases in prescription drug costs. We are particularly pleased with the following policies contained in your bill:

- Required disclosure of significant drug price increases.
- Linkage of triggered disclosure to the Consumer Price Index.
- Disclosure of the percentage of drug price increases linked to research and development funded by federal funds, the company's total expenditures on research and development, and expenditures on marketing and advertising.

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- Enforcement by the Secretary through a civil monetary penalty of \$10,000 for each day of delayed disclosure and \$100,000 for each knowing disclosure of false information.

We also urge a closer examination of the impact of the exclusion of low cost drugs from required disclosure (sec. (f)(1)(B)). Family physician patients are often managing multiple chronic conditions. For low-income families with multiple family members taking many medications, even relatively small price increases can compound and strain family budgets. We would urge that there be no such safe harbor from disclosure for low cost drugs.

Based on AAFP's health care for all policy,<sup>iv</sup> family physicians support ensuring access to more affordable medications. We are pleased to support the SPIKE Act and look forward to working with you to advance other comprehensive health care policies. As you continue reviewing health care access ideas, we urge you to examine the administrative burdens associated with health care and drug prescribing such as prior authorizations and step therapy. These cost containment strategies exacerbate health affordability barriers, particularly for individuals with chronic conditions that need consistent treatment. Please contact Robert Hall, Director of Government Relations, at 202-232-9033 or [RHall@aafp.org](mailto:RHall@aafp.org) with any questions or concerns.

Sincerely,



Michael L. Munger, MD, FAAFP  
Board Chair

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<sup>i</sup> See, e.g., The Robert Graham Center, The Importance of Having Health Insurance and a Usual Source of Care, Am. Fam. Physician (Sept. 15, 2004), available at <http://www.aafp.org/afp/2004/0915/p1035.html>.

<sup>ii</sup> [https://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#item-health-spending-growth-outpaced-growth-u-s-economy\\_2017](https://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#item-health-spending-growth-outpaced-growth-u-s-economy_2017)

<sup>iii</sup> NORC at the University of Chicago, and The West Health Institute. (n.d.). Americans' Views on Healthcare Costs, Coverage and Policy. Retrieved from <http://www.norc.org/PDFs/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy/WHI%20Healthcare%20Costs%20Coverage%20and%20Policy%20Issue%20Brief.pdf>

<sup>iv</sup> AAFP, Health Care For All (2014), available at <http://www.aafp.org/about/policies/all/health-care-for-all.html>