Conference of Western Attorneys General

Travis LeBlanc
March 15, 2017
Boies Schiller Flexner LLP, founded in 1997, has grown to more than 300 lawyers practicing in offices strategically located throughout the United States, with an additional office in London, England.

The Firm regularly serves as lead counsel on complex, high profile global matters. By combining the skill and diversity of Boies Schiller Flexner attorneys with the partnership’s well-established network of global resources, we are able to deliver consistent success for our clients.

BSF has earned a world-class reputation for our highly successful practice. As early as 2001, BSF was described by The National Law Journal as a firm of “casual brilliance.” In 2012, The American Lawyer characterized BSF as “A Galaxy of Bright Lights,” and Lawdragon, in 2011, called the Firm “the most powerful litigation turbine in America.”

“Boies Schiller is known as the go-to law firm for high stakes, high profile litigation – what executives and corporate lawyers call ‘bet the company’ cases.”

*The Washington Post*
PRINCIPAL LOCATIONS

New York  Los Angeles
Albany  Miami
Armonk  Oakland
Fort Lauderdale  Palo Alto
London  Washington, D.C.
PRESCRIPTION DRUG PRICING
OUR PILL NATION  By the Numbers

Americans who currently take a prescription drug: 113 MILLION

52% of women
40% of men

4.6 Average number of drugs taken

$790 Annual out-of-pocket spending
11% spend $1200+ a year

Source: Consumer Reports Best Buy Drugs Tracking Poll 7, conducted March 10-27, 2016
Infographic: Chris Philpot
Chart 1: Total Spending on Medicines US$Bn

Source: IMS Health, National Sales Perspectives, Jan 2016; U.S. Census Bureau; U.S. Bureau of Economic Analysis
Prescription drug pipeline

How your medications get to you and get priced is a complicated process. This is an example of the supply chain for a hypothetical 30-day prescription of a brand name medication.

Consumer/Patient
- Pays net co-pay or cost share percentage to pharmacy based on health plan.
- Pays premium to health plan sponsor.
- Must choose drugs covered by plan and pharmacy in network.

Health plan sponsor
- An insurance company, plan administrator or employer.
- Contracts with PBM to run its prescription services.
- Reimburses PBM for cost of drug plus a “spread.”
- May or may not pass along rebate savings to consumers.

Pays $140 + $20 spread
Keeps any passed through rebate

Drugmaker
- Sets list price, enough to recoup research and development costs, account for rebates, and make a profit.
- Pays rebate to PBM for preferred placement on formulary.

List price: $160
Keeps $100 after rebate to PBM

Wholesaler
- Buys drugs from manufacturer at discount to list price.
- Sells and distributes to pharmacies and hospitals.
- Adds a markup and keeps as profit.

Pays $150
Keeps $5

Pharmacy
- Buys drug at discount to list price from wholesaler.
- Dispenses drug to consumer and collects co-pay.
- Adds a markup and keeps as profit.

Pays $155
Keeps $5

Pharmacy Benefit Manager (PBM)
- Reimburses pharmacy and bills health plan for cost of drug plus administration fees and in some cases an additional “spread.”
- Passes along some, all or none of the manufacturer’s rebate to the plan sponsor, depending on contract.
CEO: 5,000-percent drug price hike "not excessive at all"

When Turing Pharmaceuticals bought the 62-year-old drug called Daraprim in August, the company immediately raised the price of one pill from $13.50 to $750.

**Daraprim**
- $13.50 in 2013
- $750 in 2015

**Doxycycline**
- $20 in 2013
- $1,849 in 2015

**Isuprel**
- $215.46 in 2013
- $1,346.62 in 2015

**Nitropress**
- $257.80 in 2013
- $805.61 in 2015

*SOURCES*: The New York Times; The Wall Street Journal; Congress.
WHEN DRUG PRICES RISE, QUALITY OF LIFE GOES DOWN

Consumer Reports Best Buy Drugs conducted a nationally representative telephone poll of 4,015 adult Americans in March 2016. We found that 45 percent of people regularly take a prescription drug and on average take between four and five medications. To afford those, people made adjustments in household spending (see light blue bar below). But for the three in 10 people (29 percent) who reported that they paid more money out of pocket for at least one of their drugs over the prior 12 months, the budget crunch was more dramatic (see darker blue bar).

- Experienced a cost increase in their drugs in the last 12 mo.
- Did not experience a cost increase in their drugs

Spent less on entertainment and dining out: 38%

Spent Less on groceries: 31%

Used your credit card more often: 25%

Spent less on your family: 25%

Postponed paying other bills: 19%

Postponed retirement to maintain health insurance: 10%

Source: Consumer Reports Best Buy Drugs Tracking Poll 7, conducted March 10-27, 2016
* Percentages won't add up to 100 because people were able to report multiple actions taken
I am working on a new system where there will be competition in the Drug Industry. Pricing for the American people will come way down!

8:46 AM - 7 Mar 2017
AG Jepsen: 40 State Attorneys General Now Plaintiffs in Federal Generic Drug Antitrust Lawsuit

States file amended complaint in lawsuit against six generic drug companies, now alleging new violations of state antitrust and consumer protection laws

Attorney General George Jepsen announced today that Connecticut has filed an amended antitrust complaint in federal court that increases from 20 to 40 the number of states alleging that six generic drug-makers entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices and reduce competition in the United States for two generic drugs.

The amended complaint also adds claims of alleged violations of state antitrust laws – in addition to the alleged violations of federal antitrust laws – in each of the 40 states, as well as state consumer protection laws in most of the states, against the defendant generic companies Heritage Pharmaceuticals, Inc., Aurobindo Pharma USA, Inc., Citron Pharma, LLC, Mayne Pharma (USA), Inc., Mylan Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.
GoodRx

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Find the lowest prices at local and online pharmacies

Save 20-80% even if you have insurance

Drug Name

e.g. Lipitor

Your Location

Zip code or city & state

FIND A BETTER PRICE

GoodRx contains more than a million prices for every major US pharmacy chain – Walgreens, CVS, Costco, Walmart and many more.
Prices and coupons for 30 tablets of Lipitor (atorvastatin) 20mg
Lowest prices near Honolulu, HI

Safeway
est cash price $9.95
HealthWarehouse $12.54
Walmart $14.27
Sams Club $10.00
CVS (formerly Longs) $25.51
Walgreens $61.73
CVS Pharmacy $75.01
THANK YOU!

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