

Lawmaker's Pharma Ties Stir Angst Over Drug Pricing Role

By Shira Stein

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- Advocates, lawmakers concerned about Eshoo's ties to pharmaceutical companies
- Push for legislation has been come from outside primary legislation committee

The head of a House panel with primary jurisdiction over legislation to lower drug prices has significant monetary ties to the pharmaceutical industry.

There is a recognition from lobbyists and lawmakers that Rep. Anna Eshoo (D-Calif.), who chairs the House Energy and Commerce Committee's health subcommittee, likely won't be a strong champion in trying to pass drug pricing legislation, a drug pricing advocate said in an interview.

Eshoo has received more money in campaign contributions from pharmaceutical and health product companies than any other industry over the course of her career, a total of \$1.63 million, according to the Center for Responsive Politics. By contrast, her second biggest contributor was the technology industry, which donated \$1.33 million. She also was named as a legislator of the year by the Biotechnology Innovation Organization, one of the main drug industry groups.

"It's clear that pharma money deters congressional action," Peter Maybarduk, director of the global access to medicines program at advocacy group Public Citizen, said in an interview. Pharmaceutical companies have a "crazy amount of power" that leads to corruption in Congress and high profit margins for them, he added.

Eshoo has been "long known as a very close pharma ally," Maybarduk said, and "her role in the current congress is of real concern for a good reason."

The go-to's on drug pricing in the House are typically seen as Reps. Elijah Cummings (D-Md.), Ro Khanna (D-Calif.), Lloyd Doggett (D-Texas), and Peter Welch (D-Vt.), not Eshoo.

Although concerns about the donations from the drug industry are coming from multiple directions, Eshoo is not actively working to combat them.

"The day I entered public life, when I passed from private life to public life, I was going to have criticism. I'm proud of my record and I stand by it. I don't have any regrets about my work," Eshoo said in an interview when asked specifically about the concern that her association with the pharma industry will impede momentum for drug pricing legislation.

In a statement provided for Bloomberg Law, Eshoo added, "Anna Eshoo does not know how to slow walk anything. What I do know is what is in the hearts of advocates because I was one. My subcommittee will produce solid legislation to bring the price of drugs down for the American people."

Eshoo has pushed through positive changes in other areas of health care, such as helping to shepherd through a bill that revamped the physician payment system.

But patient advocates still intend to challenge her on drug pricing if need be. Advocacy groups could start to push more publicly if they see her dragging her feet on getting legislation through her committee, the patient advocate said.

There were similar concerns about Health and Human Services Secretary Alex Azar and his drug industry ties during his confirmation debate. Azar has since belied those ties by pushing forward the president's agenda to lower drug prices, including regulations the industry hates. Eshoo could do the same thing.

There have been similar concerns about House Energy and Commerce Committee Chairman Frank Pallone (D-N.J.) who took \$168,000 from pharmaceutical companies in the 2018 midterm elections according to Bloomberg Government analysis and is from a state where many pharmaceutical companies are headquartered.

But advocates have focused their energy on Eshoo.

The advocacy group Patients for Affordable Drugs targeted Eshoo during the midterm elections and spent \$300,000 on advertisements attacking her for accepting campaign contributions from the drug industry. Pallone was not one of the members the group targeted.

Slowing Legislation

The push to lower drug prices appears to be coming primarily from the House Ways and Means and the Oversight committees, not the Energy and Commerce Committee, which has primary jurisdiction on drug pricing legislation.

The two committees have already held three hearings on lower drug prices. Energy and Commerce has had none.

Eshoo likely won't be the leader on any fundamental changes to laws affecting how drugs are priced, a person familiar with her office's thinking said in an interview. She'll probably let other lawmakers take the lead, sources say.

The concern over Eshoo's role comes as there is overwhelming political energy behind lowering drug prices. Voters said the top priority for Congress should be to lower drug prices, and Democrats won in the midterm elections on a platform of reducing those prices.

That means Eshoo can't ignore the issue and, along with her Democratic colleagues, will likely embrace some legislation to curb rising drug prices. Khanna told Bloomberg Law that Eshoo gave a "passionate" speech about it at a March 12 caucus meeting.

However, she'll likely let another member of Congress "own" any legislation, according to two people familiar with her thinking. And she'll ask questions about how various proposals could harm drug companies.

Democrats could structure their drug pricing proposals in a way that would have them also fall under the jurisdiction of committees other than Eshoo's, like the Judiciary or Ways and Means panels. This would let those committees take the lead on an issue that Eshoo may have concerns on.

It's unlikely Eshoo would act to contradict the House Democratic agenda, but having other committees take the lead would allow her to be less engaged with the legislation.

Making Legislation Work

Eshoo's first public opportunity to show where she stands on drug pricing legislation will come March 13 at a hearing where lawmakers will look at seven bills that would address patent issues in pharmaceuticals and barriers for generic drugmakers.

Those bills don't get at drug pricing directly, but they do aim to make it easier for generics to get onto the market, a key factor in keeping prices from skyrocketing.

Bills from Reps. Doggett (H.R. 1046) and Khanna (H.R. 465) would hit more directly at drug pricing by requiring Medicare to negotiate prescription drug prices with pharmaceutical companies and end a manufacturer's exclusivity if the drug is sold at a higher price in the U.S. in other developed countries.

The bills the Energy and Commerce Committee is considering that target competition are a good fit for Eshoo because they are not aimed at broad changes to drug pricing.

Drugmakers say the problem with pricing is in the supply chain, and they also warn that such legislation could cripple innovation.

—With assistance from Alex Ruoff

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