



The Stopping the Pharmaceutical Industry from Keeping Drugs Expensive (SPIKE) Act of 2021

The *Stopping the Pharmaceutical Industry from Keeping Drugs Expensive (SPIKE) Act of 2021*, introduced by Representative Steven Horsford (D-NV) would require drug manufacturers to publicly justify large price increases and launch prices for high-cost drugs. Similar laws have been passed in states like Nevada, California, Maine, and Oregon.

Specifically, The *SPIKE Act of 2021* would require manufacturers to report detailed information to the Secretary of the Department of Health and Human Services (HHS) for certain drugs if their prices exceed certain thresholds. Beginning in 2023, if a drug price increases by more than 10 percent or \$10,000 over one year, 25 percent or \$25,000 over three years, or has a launch price higher than \$26,000, the manufacturer would be required to submit a justification to the Secretary. Drug manufacturers would be required to submit a justification that explains the causes of a price increase or high launch price, which could include information on expenses pertaining to developing, manufacturing, licensing, and marketing the drug.

Over recent years, several widely used drugs have spiked in price, including:

- **Insulin.** Insulin witnessed an increase of 197 percent price increase from 2002 to 2013.¹
- **Epi-Pen.** In 2015, Mylan increased the price of the EpiPen from about \$57 for a single dose to \$415 for a dual pack. At this rate, a \$5 gallon of milk would now cost \$41.40.²
- **Cardiac Drugs.** Valeant Pharmaceuticals increased the prices of cardiac drugs Isuprel and Nitropress by 525 percent and 212 percent, respectively.³
- **HIV/Cancer Drugs.** Turing Pharmaceutical increased the price of Daraprim, a drug used for HIV and cancer treatments by 5,000 percent in a single day.⁴
- **Pain Medication.** Vimovo and Duexis, both of which are combinations of low-cost over-the-counter drugs, skyrocketed in price over a short period: A 60-pill bottle of Vimovo that cost \$138 in 2013 costs \$2,979 in 2018 (a more than 2,000 percent increase); and Duexis similarly cost \$140 in 2011 and had soared to \$2,482 for 90 pills by 2018.^{5,6,7}

¹ Squires, E, Duber, H, Campbell, M, Cao, J, Chapin, A, Horst, C, et al. (2018). Health Care Spending on Diabetes in the U.S., 1996-2013. *Diabetes Care* 41: 1423-1431.

² Koons, C & Langreth, R. *How Marketing Turned the EpiPen Into a Billion-Dollar Business*, BloombergBusiness (September 23, 2015).

³ Rockoff, J. & Silverman, E., *Pharmaceutical Companies Buy Rivals' Drugs, Then Jack Up the Prices*, The Wall Street Journal (April 26, 2015).

⁴ The New York Times, *Drug Goes from \$13.50 a Tablet to \$750, Overnight* (September 20, 2015).

⁵ <http://www.civhc.org/wp-content/uploads/2017/10/Spot-Analysis-Drug-Cost-Savings-Potential-Vimovo-Duexis-Oct-2017.pdf>

⁶ <https://www.ft.com/content/1922e424-11d4-11e8-940e-08320fc2a277>

⁷ <https://www.bloomberg.com/news/features/2018-04-06/when-these-new-pharma-bros-show-up-drug-prices-tend-to-go-monumentally-higher>