



Office of the Chair

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

**Remarks by Chair Lina M. Khan
As Prepared for Delivery
White House Event on Lowering Healthcare Costs**

April 3, 2024

Good morning. It's so great to be here to talk about our shared efforts to lower healthcare costs for Americans.

Our mission at the FTC is to promote an open, fair, and competitive economy so that American consumers, workers, small businesses, and entrepreneurs can thrive.

A major area of focus for us is protecting the public from corporations that prey on patients' pocketbooks and deprive Americans of the high-quality, affordable healthcare they deserve.

Nearly 40 million Americans rely on inhalers to breathe. The modern inhaler was invented decades ago, in the 1950s. But last year we noticed that some of the most popular inhalers can still cost patients hundreds of dollars every month, even though inhalers cost \$20 or less in other countries.¹

As our team dug deeper, we found reason to believe that powerful pharmaceutical companies were listing bogus patents on these inhalers, so that they could block competition and keep profits high by making Americans who rely on inhalers pay as much as \$500 or more a month.²

So in November of last year, we partnered up with the Food and Drug Administration to call these companies out on their bogus patents. We challenged over a hundred patent listings on medical devices like inhalers and epi-pens that we believed were illegally listed in the FDA's Orange Book.³ This Orange Book is an obscure registry of patents that lets pharma companies delay or block new and cheaper generic options.

¹ See Press Release, Sen. Bernie Sanders, Chairman Sanders, Baldwin, Luján, Markey Launch HELP Committee Investigation into Efforts by Pharmaceutical Companies to Manipulate the Price of Asthma Inhalers (Jan. 8, 2024), <https://www.sanders.senate.gov/press-releases/news-chairman-sanders-baldwin-lujan-markey-launch-help-committee-investigation-into-efforts-by-pharmaceutical-companies-to-manipulate-the-price-of-asthma-inhalers/>.

² Press Release, Fed. Trade Comm'n, FTC Challenges More Than 100 Patents as Improperly Listed in the FDA's Orange Book (Nov. 7, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/11/ftc-challenges-more-100-patents-improperly-listed-fdas-orange-book>; see also, Press Release, Fed. Trade Comm'n, FTC Issues Policy Statement on Brand Pharmaceutical (Sept. 14, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-issues-policy-statement-brand-pharmaceutical-manufacturers-improper-listing-patents-food-drug>.

³ *Id.*

Senator Sanders, who chairs the Senate Committee on Health, Education, Labor and Pensions (HELP), also saw this as a real injustice and led an investigation to get to the bottom of why a device that people can buy for less than 20 dollars in other countries can still cost patients in America over \$500. In partnership with Senator Baldwin, Senator Luján, and Senator Markey, as well as Senator Warren, Senator Klobuchar, and Representative Jayapal, Senator Sanders' leadership, and the FTC's work, is getting real results that will help millions of Americans breathe easier.

Since we put the pharma companies on notice, several have delisted their patents and opened up the market for generics to come in and offer cheaper medicines. And 3 of the 4 top asthma inhaler companies have announced they are slashing costs, so that—starting in June—the maximum amount that any American will have to pay for an asthma is \$35.⁴

This is a big win for the millions of Americans that rely on these inhalers for life-saving protection. And it's disturbing to think that pharma companies got away or so long with inflating the cost of these essential drugs, forcing American families to struggle.

To be clear, we're not stopping. At the FTC we're going to keep challenging unlawfully listed patents that block competition from cheaper generic drugs.

The President has made it a priority to make sure that more Americans can access and afford the healthcare that they deserve.⁵

For the Commission, a top priority is to use all of our tools to help realize that vision—whether it's through challenging pharma companies that use bogus patents to inflate prices, blocking mergers that pharma companies use to kill the competition, or scrutinizing powerful pharma middlemen that dictate how people do or don't receive life-saving drugs.

We must use all of our tools and authorities to make sure Americans get access to the affordable healthcare that they deserve—even when it means taking on powerful corporations. I'm grateful for the President's commitment to this goal, to Senator Sanders' commitment to this goal, and to many leaders across Congress and this administration.

Thank you.

⁴ See Press Release, Sen. Tammy Baldwin, Third Inhaler Company Caps Prices at \$35 a Month After Baldwin's Investigation into High Costs (Mar. 21, 2024), <https://www.baldwin.senate.gov/news/press-releases/third-inhaler-company-caps-prices-at-35-a-month-after-baldwins-investigation-into-high-costs>.

⁵ See, e.g., Press Release, Dept. of H. & Hum. Servs., Biden-Harris Administration Builds on the Success of the Affordable Care Act by Streamlining Enrollment in Medicaid and CHIP Coverage (Mar. 27, 2024), <https://www.hhs.gov/about/news/2024/03/27/biden-harris-administration-builds-success-affordable-care-act-streamlining-enrollment-medicaid-chip-coverage.html>; Press Release, White House, President Biden Announces New Actions to Lower Health Care Costs and Protect Consumers from Scam Insurance Plans and Junk Fees as Part of "Bidenomics" Push (July 7, 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/07/07/fact-sheet-president-biden-announces-new-actions-to-lower-health-care-costs-and-protect-consumers-from-scam-insurance-plans-and-junk-fees-as-part-of-bidenomics-push/>.
