THE Skanner

Challenging People to Shape a Better Future Now

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Opinion

THE SKANNER EDITORIAL: Consumers Need Transparency in Medication Pricing

By Bernie Foster, Publisher

From antibiotics and insulin to statins and steroids, medications are essential for many Americans. But prescription drug prices have been rising so fast that people who depend on them to stay alive and healthy can't afford them.

One company, Turing Pharmaceuticals, raised the price of its specialist anti-infection drug Daraprim by 5,000 percent.

The causes of this health crisis are complicated: from lack of real competition in the drug market to a secretive pricing system that means the same drug can be sold at 50 different prices. Then there is the rebate system that allows middlemen to skim profits so the people paying for the drugs don't get the benefits.

Sen. Ron Wyden didn't hold back when he spoke to pharmaceutical company bosses in Congress last week. He laid into them saying their profits are "outsized" and their "way of business is unacceptable."

We agree. Of course drug companies should be able to take a profit. But they shouldn't be exploiting the most vulnerable people in America just because they can.

> All should have their cost of drug prices transparent, up and down, so everyone knows the costs

Sen. Wyden is working at the federal level to increase pricing transparency and to reduce costs for Medicare recipients. If his bills pass they will help but more will be needed.

There is a group of companies known as pharmacy benefit managers. They are healthcare benefit managers, drug stores, and others. All should have their cost of drug prices transparent, up and down, so everyone knows the costs.

Of course drug companies should be able to take a profit. But they shouldn't be exploiting the most vulnerable people in America just because they can

Oregon lawmakers are looking at a long list of bills that aim to help solve this health crisis. They should be paying close attention to drug pricing.

There are more than a dozen ideas under consideration. One idea would allow the state Board of Pharmacy to import drugs from Canada.

Another would direct pharmacists to substitute generics for branded drugs. A third would allow pharmacists to dispense emergency insulin. And yet another bill would allow patients who pay out of pocket to apply the cost to their deductibles.

And those are just four of the proposals.

These ideas are worth thinking through. So we urge legislators to work closely with diverse groups, and to aim for a transparent pricing system and a fair deal for consumers.

What do you think?

Waters Leads Charge to Return Consumer Protection to CFPB

Charlene Crowell

NNPA Columnist

Although Director Kraninger announced a plan to suspend the payday rule, changes in how the Bureau operated with regard to these lenders began under Mulvaney. While at CFPB, he urged Congress to repeal the rule and joined a lawsuit brought by a payday lender that sought to indefinitely suspend the rule.

On March 7, the House Financial Services Committee, chaired by Congresswoman Maxine Waters marked the first time that the new Director of the Consumer Financial Protection Bureau (CFPB) appeared for a hearing in this capacity. Entitled, Putting Consumers First? A Semi-Annual Review of the Consumer Financial Protection Bureau," the session is the first of two mandated by the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act. Twice a year, CFPB's Director must report to each chamber of Congress.

But before the hearing, other actions signaled that Director Kathy Kraninger would likely be forced to defend both the Bureau's actions and inactions that occurred at the hands of Trump political appointees. Under Mick Mulvaney, CFPB's former Acting Director, a series of actions turned the agency's focus away from consumers, regulation and enforcement to make its policies and structure more favorable to deregulation and business.

One day before the hearing, Congresswoman Waters and other majority members of the Financial Services Committee held a news conference to announce the reintroduction of the Consumers First Act. Initially filed in 2018 by Waters, the 2019 version has the same intent: to block and reverse the Trump Administration's anti-consumer agenda. This year, Waters has the support of co-sponsoring lawmakers representing 19 states as diverse as California, Florida, Michigan, North Carolina and Virginia. Another boost – the bill is also supported by 51 consumer, civil rights, and labor advocates.

> The bill reverses the harmful structural changes Mulvaney and his deputies made to damage the agency one-by-one

"The bill reverses the harmful structural changes Mulvaney and his deputies made to damage the agency one-by-one," said Chairwoman Waters at the news conference. "We will be asking all of the questions that our members deem necessary to find out whether or not she is on the road to restoring much of the damage that was done by Mr. Mulvaney."

Ohio's Rep. Joyce Beatty, one of the bill's co-sponsors, took direct aim at the Bureau's changed perspective on payday lending adding, "Under Trump's CFPB director Mulvaney, the CFPB has reduced transparency and accountability, weakened enforcement…and became more interested in helping payday lenders who allegedly misled consumers and charged exorbitantly high interest rates, rather than protecting the American consumers they were sworn to serve."

Readers may recall that during Black History Month, Director Kraninger announced the Bureau's intent to suspend the August 2019 effective date of the long-awaited payday rule. After more than five years of public forums, rulemaking, research and thousands of public comments, Director Kraninger still intends to begin the rulemaking process anew.

In response, consumer, clergy, and civil rights advocates received updated information from the Center for Responsible Lending that pinpoints state by state, how current triple-digit interest rates (APRs) continue to harm consumers across the country. Regardless of a state's population size or average incomes, the cost of borrowing payday loans remains a debt trap. Further, in states where these loans remain legal, lenders continue to squeeze billions of dollars of fees from borrowers whose annual average earnings are $22,500.

Prepared by Charla Rios, a researcher with the Center for Responsible Lending, the updated payday map reveals that in 2019, 31 states charged 200 percent APRs or higher on payday loans. Of these, 18 states have APRs of 400 percent or more, three more — Idaho, Nevada, and Texas charge in excess of 600 percent.

The Lone Star State can rightfully claim one other distinction: its 661 percent APR is the nation's highest. That claim becomes even more curious when that figure is compared to the actions of more than 40 cities that have adopted some kind of regulation on these predatory loans. In 2011, the City of Dallas led the municipal curbs with an ensuing unsuccessful legal challenge. Fortunately, the Texas Supreme Court upheld the city's restriction.

Read the rest of this commentary at **TheSkanner.com**