

As Progressive Senators Work To Lower The Cost Of Prescription Drugs For Americans, Big Pharma Stands In The Way, Spending Over \$147 Million Lobbying Against Any Changes And Raking In Record Profits.

SUMMARY: In July 2022, Democratic Senators [released a new plan](#) aimed at lowering the costs of prescription drugs. The new proposal would grant Medicare the authority to "[directly regulate prescription drug prices.](#)" and "**limit the amount drug companies can increase prices each year.** This comes at a time when Americans spend an average of [\\$1,200 per person](#) on prescription drugs—higher than any other industrialized nation. As many as [18 million Americans cannot afford their prescribed medications](#), forcing many to skip doses as a "[way of saving medicine and money.](#)"

Previous legislative proposals, [primarily H.R. 3](#), came under major scrutiny from the pharmaceutical industry, as industry groups [sent a letter to Capitol Hill](#) calling on Congress to "abandon" the proposal. Ultimately, the legislation, one of President Biden's Build Back Better proposals to lower the impacts of inflation, was [dealt a major blow](#) after it was struck down in the House Energy And Commerce Committee. Since the start of the COVID-19 pandemic, the top 5 pharmaceutical companies by market cap and their industry group PhRMA have spent an estimated **\$147,285,000** while lobbying against lowering the costs of prescription drugs. Meanwhile, major pharmaceutical CEOs raked in over **\$292.6 million** while their companies saw skyrocketing profits.

- **PhRMA**—the pharmaceutical industry's "[top trade group](#)" has spent at least **\$63.1 million** on lobbying efforts since 2020, opposing legislation aimed at lowering the costs of prescription drugs, as the organization accused Congress of "[misdiagnos\[ing\] the problem](#)" of affordability for drugs and [penned a letter](#) to Capitol Hill urging Congress to "**abandon old partisan ideas**" which would serve as a "**smokescreen that gives the government the power to set the price of medicines.**"
- **Johnson & Johnson**—a signatory on an industry letter sent to Congress, and [whose executive vice president](#) sits on PhRMA's board of directors, has spent at least **\$13.9 million on lobbying** against legislation aimed at lowering the costs of prescription drugs, as the firm has recently announced "price increases" to mitigate the "impact of inflationary pressures," even as the company has seen its [net earnings climb to over \\$20.8 billion](#) in 2021 and [received over \\$1 billion in funding](#) for its COVID-19 vaccine.
- **Eli Lilly And Company**—whose [CEO blamed](#) the problems of prescription drug prices solely on the insurance industry—has seen its revenue soar to [over \\$28.3 billion](#), a 15% increase YoY, and which has spent over **\$3.1 billion on shareholder dividends** and an additional **\$1.3 billion on stock buybacks**, has also **spent at least \$12.49 million** lobbying against "drug pricing," "H.R.3," and the "Build Back Better Act."
- **Pfizer**—whose [CEO sent a company-wide video](#) "urging" employees to "fight proposed government drug price negotiations"—has **spent at least \$23.86 million on lobbying** over the past two years, as the company CEO [touted 2021](#) as "a watershed year" **where net income grew by 140%** and the company **spent \$8.7 billion** in shareholder dividends.
- **AbbVie**—which saw its [net revenues climb by over \\$10 billion](#) and its net earnings jump by **150% YoY from 2020**, and whose [CEO testified](#) that "reducing drug prices alone will not alleviate" affordability—spent at least **\$16.7 million on lobbying** on "drug cost and pricing policy issues" including H.R. 3 and H.R. 5376 The Build Better Act.
- **Merck & Co., Inc.**—whose chairman and former CEO said that Congress lowering the costs of prescription drugs would "[devastate this industry](#)"—has seen its GAAP net income [climb to \\$12.3](#)

[billion in 2021](#), spent over \$6.6 billion on shareholder dividends and \$840 million on stock buybacks, while spending an additional \$17,110,000 on lobbying against proposals that would lower the costs of prescription drugs for consumers.

In July 2022, Democratic Senators Released A New Plan That Would Grant Medicare The Authority To "Directly Regulate Prescription Drug Prices" And "Limit The Amount Drug Companies Can Increase Prices Each Year," After The Pharmaceutical Industry Targeted Legislation As Part Of President Joe Biden's Build Back Better Agenda In September 2021 Aimed At Reducing The Costs Of Prescription Drugs For American Consumers.

Following Last Year's Defeat Of Build Back Better's Drug Pricing Reform, Democrats Released An Updated Plan In July 2022 Which Would Finally Grant Medicare The Authority To "Directly Regulate Prescription Drug Prices" And "Limit The Amount Pharmaceutical Companies Can Increase Prices Each Year," After Senate Majority Leader Chuck Schumer (D-NY) Struck A Deal With Holdout Sen. Joe Manchin (D-WV).

As Part Of His Build Back Better (BBB) Plan, President Biden Announced An Effort To Grant Medicare The Authority To Negotiate The Price Of Prescription Drugs With Pharmaceutical Companies.

"President Biden and Congressional Democrats rolled their sleeves up in recent days to produce a compromise plan to end this unfair prohibition and reduce the costs of prescription drugs, while ensuring we continue to reward innovation and breakthrough new treatments. Specifically, the plan will: let Medicare 11 negotiate drug prices. Medicare will negotiate prices for high-cost prescription drugs. This will include drugs seniors get at the pharmacy counter (through Medicare Part D), and drugs that are administered in a doctor's office (through Medicare Part B)." [The White House, [11/02/21](#)]

September 2021: Biden's Agenda To Lower The Costs Of Prescription Drugs Was Dealt A Major Blow After All 26 Republicans And Three Democrats Voted Against The Measure In The House Energy & Commerce Committee. "A House committee dealt an ominous if tentative blow Wednesday to President Joe Biden's huge social and environment package, derailing a money-saving plan to let Medicare negotiate the price it pays for prescription drugs. [...] The Energy and Commerce vote on the drug-pricing language was 29-29, with three moderate Democrats joining Republicans to oppose it: Reps. Scott Peters of California, Kathleen Rice of New York and Kurt Schrader of Oregon. Tie votes in Congress are usually insufficient to keep legislative provisions alive." [Associated Press, [09/15/21](#)]

- **The Original Legislation, H.R. 3, The "Elijah E. Cummings Lower Drug Costs Now Act," Would Allow Medicare To Negotiate Prices With Pharmaceutical Companies.** "In particular, the bill requires the Department of Health and Human Services (HHS) to negotiate prices for certain drugs (current law prohibits HHS from doing so). Specifically, HHS must negotiate maximum prices for single-source, brand-name drugs that lack certain generics and that are among either the 125 drugs that account for the greatest national spending or the 125 drugs that account for the greatest Medicare spending." [Congress.gov, accessed [07/07/22](#)]

September 2021: Scrutiny From The Pharmaceutical Industry Ramped Up, As Trade Groups Targeted The Legislation. "Strong opposition from pharmaceutical manufacturers and thin Democratic majorities in both chambers will also make it an uphill battle, as will the White House's need to work with drugmakers to address the COVID-19 pandemic." [Industry Dive, [09/10/21](#)]

- **The Pharmaceutical Research and Manufacturers Of America (PhRMA) Chairman And Eli Lilly CEO David Ricks Called The Proposed Legislation A "Smokescreen For Implementing New**

Government Price Controls. "Already, drugmakers are escalating their rhetoric against price negotiation proposals, which the industry has successfully beaten back before. Such legislation is a 'smokescreen for implementing new government price controls,' Eli Lilly CEO David Ricks, who is also chairman of the industry group PhRMA, said in a press conference this week sponsored by the lobby." [Industry Dive, [09/10/21](#)]

July 2022: Senate Majority Leader Chuck Schumer (D-NY) Reached A Deal With Sen. Joe Manchin (D-WV)—A Holdout Of The Original BBB Package—On A Plan That Would Aim At Lowering The Costs Of Prescription Drugs. "On Wednesday, following an agreement between Senate Majority Leader Chuck Schumer (D-NY) and Sen. Joe Manchin (D-WV) — one of the key holdouts on the original BBB package — lawmakers officially submitted the prescription drugs plan to the Senate parliamentarian for review." [Vox, [07/06/22](#)]

- **The Plan Would Allow Medicare "To Directly Regulate Prescription Drug Prices," "Cap The Out-Of-Pocket" Annual Expenses For Medicare Patients At \$2,000, And "Limit The Amount Drug Companies Can Increase Prices Each Year."** "Top Senate Democrats on Wednesday released an updated plan aimed at lowering the cost of prescription drugs, signaling progress on a crucial piece of their bid to salvage some of President Biden's stalled social safety net, climate and tax bill. Under the new measure, Medicare would for the first time be allowed to directly regulate prescription drug prices. It would cap the out-of-pocket amount that Medicare patients can be asked to pay for prescription drugs at \$2,000 a year, limit the amount drug companies can increase prices each year, and make more vaccines free for those patients." [The New York Times, [07/06/22](#)]

Americans Spend More Than Any Other Country On Prescription Drugs—With Specialty Prescription Drugs Increasing 4.8% On Average Between 2019 And 2020 And At Least 3,620 Medications Receiving Price Increases In January 2022—Resulting In 18 Million Americans Unable To Afford Their Prescribed Medication And Causing Them To Skip Doses As A "Way Of Saving Medicine And Money."

With Drug Prices Rising Faster Than Other Healthcare Services, Americans Spend More Than Any Other Country On Prescription Drugs, Due To High Prescription Drug Prices As "Companies Have Bought Up Medicines That Face No Competition And Boosted Charges."

Americans Spend An Average Of \$1,200 Per Person Per Year On Prescription Drugs—More Than Any Other Country—In Part Due To High Prescription Drug Prices As "Companies Have Bought Up Medicines That Face No Competition And Boosted Charges" Which Is Passed "On To Members Of The Public Through The Premiums They Pay." "Americans spend more on prescription drugs — average costs are about \$1,200 per person per year — than anyone else in the world. It's true that they take a lot of pills. But what really sets the U.S. apart from most other countries is high prices. Cancer drugs in the U.S. routinely cost \$10,000 a month. Even prices for old drugs have spiked, as companies have bought up medicines that face no competition and boosted charges. While private insurers and government programs pick up the biggest share of the bill, high drug costs are ultimately passed on to members of the public through the premiums they pay to keep their insurance policies active and the taxes they pay to the government." [Bloomberg, [09/16/20](#)]

A 2020 GoodRx Analysis Found That "Drug Prices Are Rising At A Rate That Outpaces Other Healthcare Services," With Drug Prices Increasing 33% Since 2014. "Drug prices are rising at a rate that outpaces other healthcare services, a new analysis from GoodRx shows. Provided exclusively to Fierce Healthcare, the analysis finds that drug prices have increased by 33% since 2014. The next biggest cost increase was for inpatient care, at 30%. Across the board, prices for medical services have risen 17% since 2014, according to the report. GoodRx compared rising drug prices to other industries, such as transportation, clothing and telecommunications, earlier this year. Tori Marsh, director of research at GoodRx, told Fierce

Healthcare that the team wanted to dig further into how price increases compared to other sectors within healthcare. 'The biggest takeaway is obviously that prescription drugs are rising beyond any of the other healthcare services,' "she said." [Fierce Healthcare, [09/17/20](#)]

From 2019 To 2020, Specialty Prescription Drugs Increased By 4.8% On Average—"More Than Three-And-A-Half Times Higher Than General Inflation During That Period"—While The Average Cost Of A Single Specialty Prescription Drug Was \$84,442 Per Year, \$20,000 Higher Than The Median US Household Income.

Between 2019 And 2020, 180 Widely Used Specialty Prescription Drugs Experienced An Average Price Increase Of 4.8%, "More Than Three-And-A-Half Times Higher Than General Inflation During That Period." "The AARP Public Policy Institute has been reporting prescription drug product price changes since 2004. This latest Rx Price Watch report examines a 'market basket' of 180 widely used specialty prescription drugs and shows that average annual increases in the prices of these drugs have consistently exceeded the general inflation rate since 2006. Between 2019 and 2020, for example, that increase was 4.8 percent, more than three-and-a-half times higher than general inflation during that period (1.3 percent)." [AARP Public Policy Institute, [09/28/21](#)]

In 2020, The Average Annual Cost Of Therapy For A Single Specialty Prescription Drug Was \$84,442 Per Year—\$20,000 Higher Than The Median US Household Income And \$77,838 More Than The Average Annual Price For Brand Name Prescription Drugs. "In 2020, the average annual cost of therapy for a single specialty prescription drug, based on the market basket used in this study, was \$84,442 per year. This average annual cost was almost \$20,000 higher than the median US household income (\$65,712); nearly three times the median income for Medicare beneficiaries (\$29,650); more than four-and-a-half times higher than the average Social Security retirement benefit (\$18,530). It was also 13 times higher than the average annual price of therapy for brand name prescription drugs (\$84,442 v. \$6,604, respectively)." [AARP Public Policy Institute, [09/28/21](#)]

In The First 25 Days Of January 2022, 9.2% Of Active Prescription Drugs—3,620 Medications—Saw Their Price Increase With Brand Name Drug Products Far More Likely To Have A Price Change In January Of 2022, Including Many Important Drugs Needed To Treat Critical Care Seeing Inflated Prices.

In The First 25 Days Of January 2022, 9.2% Of Active Prescription Drugs Saw Their Price Increase, With The 72.2% Of The Top 100 Drug Products Experiencing Price Increases. "Among all active drug products (at the NDC level), 9.2% (or 3,620 NDCs) had an increase in price during the first 25 days of 2022. The Top 500 drug products account for nearly 90% of all drug expenditures in the U.S. For the Top 100 drug products, however, more than seven in ten (72.2%) of the NDCs had a price increase in the first 25 days of 2022 (Figure 1.)." [PRIME Institute University of Minnesota via Senator Elizabeth Warren, [02/09/22](#)]

Brand Name Drug Products Were Far More Likely To Have A Price Change In January 2022 Than Generics, With Brand Names Representing 79.6% Of The Drugs That Received Price Increases. "Brand name drug products represented a substantially disproportionate share of these price changes (79.6%, 3,076 of 3,866 NDCs), despite the fact that they accounted for only 28.5% of active NDCs (Figure 2). In contrast, generic drugs were 71.5% of active NDCs and only 20.4% (790 of 3,866 NDCs) of the drug products with a price change in 2022. Brand name drug products were far more likely to have a price change in January of 2022, than were generics." [PRIME Institute University of Minnesota via Senator Elizabeth Warren, [02/09/22](#)]

Nearly 60% Of Prescription Drugs That Saw An "Extraordinary" Price Increase Came From Pfizer And Its Subsidiary Hospira And Included "Important Drugs Needed To Treat Critical Care Patients Such As Dopamine, Atropine, Heparin, Immune Globulin, Calcium Chloride, Sodium Bicarbonate, Dextrose In Water, Furosemide, Various Forms Of Penicillin, And Other Critical Drugs." "Nearly 6 out of 10 of these extraordinary drug price increases were for NDCs from one drug firm, Pfizer and its subsidiary Hospira. Many

of the Pfizer products with these extraordinary drug price increases were important drugs needed to treat critical care patients such as dopamine, atropine, heparin, immune globulin, calcium chloride, sodium bicarbonate, dextrose in water, furosemide, various forms of penicillin, and other critical drugs." [PRIME Institute University of Minnesota via Senator Elizabeth Warren, [02/09/22](#)]

- An "Extraordinary' Price Increase" Involved A Price Increase Of 10.0% Or Greater. "There were 80 (8.6% of generic NDCs with an increase) generic NDCs with a price increase of 10.0% or greater that were designated as 'extraordinary' price increases." [PRIME Institute University of Minnesota via Senator Elizabeth Warren, [02/09/22](#)]

As Many As 18 Million Americans Can't Afford Their Prescribed Medications, Causing Many To Skip Doses As "A Way Of Saving Medicine And Money," Especially Among Households Making Less Than \$48,000 Annually.

A 2021 Nationwide Poll Found "That As Many As 18 Million Americans Can't Afford Their Prescribed Medications"—Almost 7% Of The Adult Population—With The Number Climbing To 19% In Households Making Less Than \$24,000 Per Year. "As many as 18 million Americans can't afford their prescribed medications, a new nationwide poll finds. That's 7% of the adult population in the United States. But when it comes to households making less than \$24,000 per year, the percentage jumps to 19%, the West Health/Gallup poll revealed." [U.S. News, [09/22/21](#)]

While 10% Of Respondents Reporting Skipping Doses As "A Way Of Saving Medicine And Money," 18% Of Respondents In Households Making Less Than \$48,000 Annually Reported Skipping Medications. "While 7% of respondents said they or a family member has gone without at least one prescribed medication because of costs, 10% skipped doses in the past year as a way of saving medicine and money. Eighteen percent of respondents in households making less than \$48,000 annually said they or someone in their household had skipped a pill. In households making \$90,000 to \$180,000 year, 7% said they had skipped a pill in the past year." [U.S. News, [09/22/21](#)]

The Pharmaceutical Industry's "Top Trade Group," PhRMA, Criticized Build Back Better's Drug Pricing Proposals As "Mak[ing] A Broke Insurance System Worse" While Running TV Ads Warning The Proposal "Will Mean That 'Politicians [...] Decide Which Medicines You Can And Can't Get'" And Has Spent At Least \$63.1 Million Lobbying On Bills Aimed At Lowering The Cost Of Prescription Drugs For Americans.

Throughout 2021 And Into 2022, PhRMA—The Pharmaceutical Industry's "Top Trade Group"—Criticized Build Back Better's Drug Pricing Proposals As "Mak[ing] A Broken Insurance System Worse" And "Stifl[ing] The Development Of New Uses For And Improvements To Medicines," While Accusing Lawmakers Of "Misdiagnos[ing] The Problem" With Drug Pricing.

The Pharmaceutical Industry's "Top Trade Group" PhRMA Helped Fund Ads Against Build Back Better's Drug Pricing Reforms, Claiming They Would Have Worsened The Pandemic. "And the pharmaceutical industry has embarked on its own wide-ranging campaign to combat Democrats' drug pricing proposals, another potential revenue source in the bill. Conservative outfits previously backed by the sector's top trade group, known as PhRMA, have run recent ads claiming lawmakers' plans would have worsened the coronavirus pandemic." [The Washington Post, [08/31/21](#)]

- A PhRMA Spokesperson Said The Group Opposed Democrats' Drug Pricing Reforms, Suggesting They Were "'Empty Promises That Will Do More Harm Than Good.'" "Brian Newell, a spokesman for

PhRMA, stressed that the group supports general pricing reforms — just not the ideas Democrats are pursuing. 'The industry is willing to come to the table and do its fair share to help deliver real relief to patients at the pharmacy, not empty promises that will do more harm than good,' he said in a statement." [The Washington Post, [08/31/21](#)]

March 2022: In Response To The Senate Finance Committee's Hearing On Drug Pricing, PhRMA's Executive Vice President Of Public Affairs Accused Lawmakers Of "Misdiagnos[ing] The Problem" With Drug Pricing, Arguing "Government Price Setting" Won't Fix High Drug Prices, But Will Instead "Jeopardize Access To Medicines And Future Innovation." "The Pharmaceutical Research and Manufacturers of America (PhRMA) Executive Vice President of Public Affairs Debra DeShong released the following statement after the Senate Finance Committee's hearing on drug pricing: 'Today's hearing demonstrated that many lawmakers aren't serious about taking on the bipartisan work necessary to address the real challenges patients experience at the pharmacy. Government price setting won't address the abusive insurance practices that put barriers between patients and the medicines they need, but it will jeopardize access to medicines and future innovation. The government's own data show prescription medicines are not fueling inflation. If lawmakers continue to misdiagnose the problem, they won't prescribe the kind of meaningful solutions patients need.'" [PhRMA, [03/16/22](#)]

December 2021: PhRMA President And CEO Stephen J. Ubl Called The Build Back Better Act A "Damaging Bill" While Criticizing The Bill For Not Providing Relief To Patients Struggling To Afford Their Medicines, "Stifl[ing] The Development Of New Uses For And Improvements To Medicines," And "Ignor[ing] Persistent Problems Throughout The Health Care System." "Pharmaceutical Research and Manufacturers of America (PhRMA) President and CEO Stephen J. Ubl released the following statement after President Joe Biden delivered remarks on drug pricing reform provisions in the Build Back Better Act: 'A damaging bill jammed through a partisan process will not provide patients struggling to afford their medicines meaningful relief. The bill inserts the heavy hand of government into America's medicine cabinet, and we know when government bureaucrats set the price of medicine, patients ultimately have less access to treatments and cures. The bill also stifles the development of new uses for and improvements to medicines after they are first approved, threatens the introduction of generic and biosimilar medicines, and unwinds successful incentives that spur the development of treatments for rare diseases. This bill also ignores persistent problems throughout the health care system, such as tactics by insurers and middlemen that shift higher costs onto vulnerable patients.'" [PhRMA, [12/06/21](#)]

November 2021: PhRMA President And CEO Encouraged The Senate To "Reject This Flawed Drug Pricing Plan" That Will "Make A Broken Insurance System Worse And Throw Sand In The Gears Of Medical Progress." "PhRMA President and CEO Stephen J. Ubl released the following statement after the House of Representatives passed the Build Back Better Act, which includes the Democrats' drug pricing plan: 'The consequences of this heavy-handed drug pricing plan will make a broken insurance system worse and throw sand in the gears of medical progress. It will stifle continued innovation after a medicine is first approved, discourage the introduction of generics and biosimilar treatments and undermine the robust competition that has made the Medicare Part D program a success for millions of seniors. Meanwhile, the bill doesn't address perverse incentives in the system that are leading to higher costs for patients. This is a disappointing day for patients, and I hope the Senate will reject this flawed drug pricing plan and deliver the more balanced approach patients deserve.'" [PhRMA, [11/29/21](#)]

September 2021: PhRMA Members Authored A Letter To Capitol Hill Which Called On Congress To "Abandon Old Partisan Ideas" To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies. "Today, PhRMA member companies made public an open letter to Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs." [PhRMA, [09/15/21](#)]

Since Q1 Of 2020, PhRMA Has Spent At Least \$63.1 Million On Lobbying Bills Aimed At Lowering The Costs Of Prescription Drugs For Americans, Ran TV Ads

Warning That The Proposal "Will Mean That 'Politicians ... Decide Which Medicines You Can And Can't Get,'" And Increased Their Democratic Lobbyist Roster.

October 2021: The Washington Post Found That PhRMA Spent "More Than \$22.4 Million Lobbying On Drug Pricing And Other Issues In The First Nine Months" Of 2021 And Ran TV Ads Warning The Proposal "Will Mean That 'Politicians ... Decide Which Medicines You Can And Can't Get.'" "The slow progress is in part due to an all-out lobbying campaign from the Pharmaceutical Research and Manufacturers of America, the drug industry's powerful trade group, to ensure nothing like the House proposal makes it into the reconciliation bill. PhRMA shelled out more than \$22.4 million lobbying on drug pricing and other issues in the first nine months of the year, according to recent disclosure filings. And it has run TV ads warning the proposal will mean that 'politicians ... decide which medicines you can and can't get.'" [The Washington Post, [10/25/21](#)]

PhRMA Increased Their Democratic Lobbyist Roster With The Former Democratic Senatorial Campaign Committee's Finance Director And A Former Biden Senate Aide. "As it fights the proposal, PhRMA has added more Democratic lobbyists to its already deep bench, including Eben DuRoss, who was previously the Democratic Senatorial Campaign Committee's finance director and also worked on the 2016 campaign of Sen. Catherine Cortez Masto (D-Nev.). The trade group also hired Chris Putala in June as an outside lobbyist. Putala is a former Biden Senate aide who had never lobbied on health care issues before this year, according to disclosure filings. Disclosure filings show that he's lobbied the White House and the Senate on PhRMA's behalf." [The Washington Post, [10/25/21](#)]

Since January 2020, PhRMA Has Spent At Least \$63,160,000 Lobbying The Federal Government On "Issues Pertaining To Prescription Drug Pricing," "H.R. 3 (Lower Drug Costs Now Act)," "H.R.3, Elijah E. Cummings Lower Drug Costs Now Act; FY2022 Budget Reconciliation (H.R.5376)," Among Other Issues:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	PhRMA	PhRMA	" H.R. 3: Elijah E. Cummings Lower Drug Costs Now Act - Provisions related to prescription drug pricing, non-interference, and intellectual property H.R. 19: Lower Costs, More Cures Act of 2021 - Provisions related to prescription drugs H.R. 1976: Medicare for All Act of 2021 - Provisions related to Part D and non-interference H.R. 2071: Medicare Prescription Drug Price Negotiation Act of 2021 - Provisions related to Part D and non-interference H.R. 2139: Medicare Drug Price Negotiation Act - Provisions related to Part D and non-interference H.R. 2179: Affordable Insulin for the COVID-19 Emergency Act - Provisions related to Part D and insulin H.R. 4417: Capping Drug Costs for Seniors Act of 2021 - Provisions related to Part D and prescription drug pricing H.R. 5260: Reduced Costs and Continued Cures Act - Provisions related to prescription drug pricing and access"	\$8,070,000
Q4 2021	PhRMA	PhRMA	" H.R. 3: Elijah E. Cummings Lower Drug Costs Now Act - Provisions related to prescription drug pricing, non-interference, and intellectual property H.R. 19: Lower Costs, More Cures Act of 2021 - Provisions related to prescription	\$7,160,000

			<p>drugs</p> <p>H.R. 1227: Medicare-X Choice Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 1976: Medicare for All Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2071: Medicare Prescription Drug Price Negotiation Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2139: Medicare Drug Price Negotiation Act - Provisions related to Part D and non-interference"</p>	
Q3 2021	PhRMA	PhRMA	<p>" H.R. 3: Elijah E. Cummings Lower Drug Costs Now Act - Provisions related to prescription drug pricing, non-interference, and intellectual property</p> <p>H.R. 19: Lower Costs, More Cures Act of 2021 - Provisions related to prescription drugs</p> <p>H.R. 1227: Medicare-X Choice Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 1976: Medicare for All Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2010: Public Option Deficit Reduction Act - Provisions related to Part D and non-interference</p> <p>H.R. 2071: Medicare Prescription Drug Price Negotiation Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2139: Medicare Drug Price Negotiation Act - Provisions related to Part D and non-interference</p> <p>H.R. 5260: Reduced Costs and Continued Cures Act - Provisions related to prescription drug pricing and access"</p>	\$7,440,000
Q2 2021	PhRMA	PhRMA	<p>" H.R. 3: Elijah E. Cummings Lower Drug Costs Now Act - Provisions related to prescription drug pricing, non-interference, and intellectual property</p> <p>H.R. 19: Lower Costs, More Cures Act of 2021 - Provisions related to prescription drugs</p> <p>H.R. 1167: Advancing Enrollment and Reducing Drug Costs Act of 2021 - Provisions related to Part D</p> <p>H.R. 1227: Medicare-X Choice Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 1976: Medicare for All Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2010: Public Option Deficit Reduction Act - Provisions related to Part D and non-interference</p> <p>H.R. 2071: Medicare Prescription Drug Price Negotiation Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 2139: Medicare Drug Price Negotiation Act - Provisions related to Part D and non-interference</p> <p>H.R. 2868: Protecting Access to Affordable Medicines Act of 2021 - Provisions related to Medicaid and prescription drug pricing and rebates"</p>	\$6,430,000
Q1 2021	PhRMA	PhRMA	" H.R. 3: Lower Drug Costs Now Act of 2019 [116th Congress]	\$8,540,000

			<p>H.R. 19: Lower Costs, More Cures Act of 2019 [116th Congress]</p> <p>H.R. 1167: Advancing Enrollment and Reducing Drug Costs Act of 2021 - Provisions related to Part D</p> <p>H.R. 1227: Medicare-X Choice Act of 2021 - Provisions related to Part D and non-interference</p> <p>H.R. 1976: To establish an improved Medicare for All national health insurance program - Provisions related to Part D and non-interference</p> <p>H.R. 2010: To amend the Patient Protection and Affordable Care Act to establish a public health insurance option - Provisions related to Part D and non-interference</p> <p>H.R. 2071: To amend part D of title XVIII of the Social Security Act to require the Secretary of Health and Human Services to negotiate covered part D drug prices on behalf of Medicare beneficiaries - Provisions related to Part D and non-interference"</p>	
Q4 2020	PhRMA	PhRMA	<p>"H.R. 3: Lower Drug Costs Now Act of 2019 - Provisions related to prescription drug pricing, foreign reference pricing, Part D, manufacturer rebates, and other provisions</p> <p>H.R. 19: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions</p> <p>H.R. 8624: Protecting Access to Innovation During COVID-19 Act - Provisions related to Medicare and prescription drug pricing."</p>	\$5,130,000
Q3 2020	PhRMA	PhRMA	<p>"H.R. 3: Lower Drug Costs Now Act of 2019 - Provisions related to prescription drug pricing, foreign reference pricing, Part D, manufacturer rebates, and other provisions</p> <p>H.R. 19: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions</p> <p>H.R. 1425: Patient Protection and Affordable Care Enhancement Act - Provisions related to affordability fund</p> <p>S. 1895: Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues</p> <p>S. 2543: Prescription Drug Pricing Reduction Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions</p> <p>S. 3129: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions</p> <p>S. 4199: Prescription Drug Pricing Reduction Act of 2020 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions."</p>	\$5,960,000
Q2 2020	PhRMA	PhRMA	<p>"H.R. 3: Lower Drug Costs Now Act of 2019 - Provisions related to prescription drug pricing, foreign reference pricing, Part D, manufacturer rebates, and other provisions</p> <p>H.R. 19: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions</p> <p>H.R. 1425: Patient Protection and Affordable Care Enhancement Act - Provisions related</p>	\$5,410,000

			to affordability fund S. 1895: Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues S. 2543: Prescription Drug Pricing Reduction Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions."	
Q1 2020	PhRMA	PhRMA	"H.R. 3: Lower Drug Costs Now Act of 2019 - Provisions related to prescription drug pricing, foreign reference pricing, Part D, manufacturer rebates, and other provisions H.R. 19: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions."	\$9,020,000
TOTAL:				\$63,160,000

Johnson & Johnson—Which Signed Onto A PhRMA Letter To Congress Urging Against Proposals To Allow Medicare To Negotiate Prescription Drug Prices—"Institut[ed] Price Increases Across Our Consumer Health Portfolio In 2022," Cut Off Discounted Drug Sales To Pharmacies, Received Over \$1 Billion From The Federal Government For Its COVID-19 Vaccine, And Saw Its Net Earnings Increase Nearly 42% In FY 2021 Over FY 2020 To \$20.8 Billion, While Spending \$13.9 Million Lobbying On "Drug Pricing Legislation."

Johnson & Johnson—Whose Executive Vice President, Worldwide Chairman Of Pharmaceuticals Is On PhRMA's Board Of Directors—Signed Onto A PhRMA Letter To Congress Advocating For Them To "Abandon Old Partisan Ideas" On Proposals To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies.

September 2021: Johnson & Johnson Was A Signatory On An Open Letter Sent By PhRMA To Capitol Hill Which Called On Congress To "Abandon Old Partisan Ideas" To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies. "Today, PhRMA member companies made public an open letter to Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs."
[PhRMA, [09/15/21](#)]

- **According To PhRMA's Website, Johnson & Johnson Executive Vice President, Worldwide Chairman Of Pharmaceuticals Jennifer Taubert Is On The Trade Association's Board Of Directors.**

Leaders

> Board of Directors

Senior Executives



Jennifer Taubert

Executive Vice President,
Worldwide Chairman,
Pharmaceuticals
Johnson & Johnson

[PhRMA, accessed [07/07/22](#)]

Johnson & Johnson Recently Stated It Would Be "Instituting Price Increases Across [Its] Consumer Health Portfolio In 2022" To Offset The "Impact Of Inflationary Pressures, Including Higher Input Costs Across Our Business" While Cutting Off Discounted Drug Sales To Pharmacies Through The 340B Program.

May 2022: Johnson & Johnson "Will No Longer Offer 340B-Discounted Products To Contract Pharmacies," Becoming The "16th Drugmaker To Install Or Propose Contract Pharmacy Restrictions." "Johnson & Johnson became the latest major drugmaker to plan to cut off sales of 340B-discounted products to covered entities' contract pharmacies, shrugging off the possibility of fines from the federal government. Johnson & Johnson became the 16th drugmaker to install or propose contract pharmacy restrictions. The latest decision comes as the Biden administration and several other drugmakers fight in court over similar moves. J&J announced in a notice to its customers that starting May 2 it will no longer offer 340B-discounted products to contract pharmacies with some exceptions." [Firece Healthcare, [03/22/22](#)]

- **The 340B, Which "Requires Drugmakers To Offer Product Discounts To Safety Net Providers In Exchange For Participation In Medicare And Medicaid," Has Drawn Criticism From The Pharmaceutical Industry, Claiming The Program "Has Grown Too Fast And The Benefits Are Not Reaching The Patient."** "340B requires drugmakers to offer product discounts to safety net providers in exchange for participation in Medicare and Medicaid. The program has drawn the ire of the pharmaceutical industry, which charges it has grown too fast and the benefits are not reaching the patient, but advocates and the hospital industry counter the discounts are vital for safety net providers that operate on thin margins to stay afloat amid high price hikes. Several drugmakers started to cut off access to 340B contract pharmacies in summer 2020, sparking action from the Health Resources and Services Administration (HRSA)." [Fierce Healthcare, [03/22/22](#)]

During Johnson & Johnson's Q4 2021 Earnings Call, CFO Joseph Wolk Stated His Company Would Be Taking "Strategic Price Increases" In Order To Mitigate The Impacts Of Rising Commodity Prices. "These external challenges include limited availability and rising prices of certain commodities, as well as increased costs for labor, energy, and transportation. [...] However, mitigation efforts are underway, including cost improvement initiatives, strategic price increases, and contract negotiations with external supply partners." [The Motley Fool, [04/19/22](#)]

Wolk Previously Announced Johnson & Johnson Was "Instituting Price Increases Across [Its] Consumer Health Portfolio In 2022" In Order To Deal With The "Impact Of Inflationary Pressures, Including Higher Input Costs Across Our Business And More Significantly With Respect To Consumer Health." "Joseph Wolk [...] In Consumer Health, we are confident that our well-balanced portfolio positions us well. Consistent with current global macroeconomic trends, we are experiencing the impact of inflationary pressures, including higher input costs across our business and more significantly with respect to Consumer Health. These external challenges include availability and cost of certain commodities, labor and transportation. Similar to competitors, we are instituting price increases across our Consumer Health portfolio in 2022, enabling us to remain competitive as we continue to deliver the products that consumers love and trust." [Seeking Alpha, [01/25/22](#)]

- **Johnson & Johnson's Consumer Health Portfolio Includes Household Brands Such As Tylenol, Listerine, Motrin, Carefree, And Band-Aids.** [Johnson & Johnson, accessed [01/27/22](#)]

Wolk Also Stated Johnson & Johnson Was "Offsetting" Increased Labor And Transportation Costs With "Select Price Increases In Our [Skin Health And Beauty] Portfolio." "Joseph Wolk [...] So in consumer, there's, I would say, select products within the portfolio, think Skin Health and Beauty, as mentioned in the prepared remarks, where lubricants and things of that nature are in shorter supply. There are some, I'd say, probably increased labor costs with respect to third-party manufacturers, and we're obviously seeing heightened transportation costs. We are like the competitors in the consumer space, offsetting some of those costs with select price increases in our portfolio, where we can still provide those trusted brands and products to people without really impacting the elasticity or the demand of those products overall." [Seeking Alpha, [01/25/22](#)]

- **Johnson & Johnson's Skin Health And Beauty Portfolio Includes Household Brands Such As Aveeno, Neutrogena, and Lubriderm.** [Johnson & Johnson, accessed [01/27/22](#)]

Johnson & Johnson, Which Received Over \$1 Billion From The Federal Government For Its COVID-19 Vaccine, Saw Its Net Earnings Increase Nearly 42% In FY 2021 Over FY 2020 To \$20.8 Billion.

August 2020: Reuters Reported That The U.S. Government Planned To Pay Johnson & Johnson "Over \$1 Billion For 100 Million Doses Of Its Potential Coronavirus Vaccine." "The United States government will pay Johnson & Johnson over \$1 billion for 100 million doses of its potential coronavirus vaccine, as it stocks up on vaccine and drugs in an attempt to tame the pandemic. The latest contract is priced at roughly \$10 per vaccine dose produced by J&J, or around \$14.50 per dose, including a previous \$456 million the U.S. government promised to J&J for vaccine development in March." [Reuters, [08/05/20](#)]

In Its FY 2021, Johnson & Jonson Saw Its Net Earnings Increase To Over \$20.8 Billion From \$14.7 Billion In 2020—A Nearly 42% Increase. [Johnson & Johnson, [01/25/22](#)]

(\$ in Millions, except EPS)	Q4			Full Year		
	2021	2020	% Change	2021	2020	% Change
Reported Sales	\$ 24,804	\$ 22,475	10.4%	\$ 93,775	\$ 82,584	13.6%
Net Earnings	4,736	1,738	172.5%	20,878	14,714	41.9%
EPS (diluted)	\$ 1.77	\$ 0.65	172.3%	\$ 7.81	\$ 5.51	41.7%

[Johnson & Johnson, [01/25/22](#)]

Johnson & Johnson's New And Outgoing Chief Executive Officers Have Received A Combined \$42.3 Million And \$56.3 Million, Respectively.

In 2020 And 2021, Johnson & Johnson's New And Outgoing Chief Executive Officers Have Received A Combined \$42.3 Million And \$56.3 Million, Respectively.

CEO	2021 Compensation	*2020 Compensation	Total Compensation
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Joaquin Duato	\$26,757,015	\$15,625,003	\$42,382,018
Alex Gorsky	\$26,741,959	\$29,590,472	\$56,332,431

*In 2020, Joaquin Duato was the Vice Chairman of The Executive Committee, before assuming the CEO position in January 2022.

Since Q1 Of 2020, Johnson & Johnson Have Spent At Least \$13.9 Million Lobbying On "Drug Pricing Legislation," Including Build Back Better, "Elijah E. Cummings Lower Drug Costs Now Act," "H.R. 19/S. 2164, The Lower Costs, More Cures Act, S. 25430," "Prescription Drug Pricing Reduction Act Of 2019," Among Others.

Since January 2020, Johnson & Johnson Has Spent At Least \$13,950,000 Lobbying The Federal Government On "Drug Pricing Legislation," Including "H.R.3, Elijah E. Cummings Lower Drug Costs Now Act," "H.R. 5376, Build Back Better Act," And "Issues Related To The 340B Drug Discount Program," Among Other Issues:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- HR 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions [...] - HR 5376, 'Build Back Better Act', regarding provisions on drug pricing and provisions related to revenue [...] - Issues related to prescription drug pricing [...] - Issues related to 340B drug pricing program"	\$2,320,000
Q4 2021	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- HR 5376, 'Build Back Better Act', regarding provisions on drug pricing and provisions related to revenue [...] - Issues related to prescription drug pricing [...] - Issues related to 340B drug pricing program - HR 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions"	\$880,000
Q3 2021	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- HR 5376, 'Build Back Better Act', regarding provisions on drug pricing and provisions related to revenue [...] - Issues related to prescription drug pricing [...] - Issues related to 340B drug pricing program - HR 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions"	\$1,920,000
Q2 2021	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to prescription drug pricing - Issues related to health care pricing transparency [...] - Issues related to 340B drug pricing program"	\$800,000
Q1 2021	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to prescription drug pricing - Issues related to health care pricing transparency [...] - Issues related to 340B drug pricing program"	\$2,480,000
Q4 2020	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to the regulation of over-the-counter drugs [...] -- H.R. 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions - Issues related to drug importation - S. 2543, 'Prescription Drug Pricing Reduction Act of 2019', regarding all provisions [...] - Executive Order 13948: Lowering Drug Prices by Putting America First - Executive Order 13939: Lowering Prices for Patients by Eliminating Kickbacks to Middlemen - Executive Order 13938: Increasing Drug Importation To Lower Prices for American Patients - Executive Order 13937: Access to Affordable Life-Saving Medications -H.R.133 - Consolidated Appropriations Act, 2021, including legislation regarding average sales price (ASP) reporting requirements for certain hyaluronic	\$1,450,000

			acid (HA) products that are classified as devices, but reimbursed as drugs under Medicare Part B."	
Q3 2020	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to the regulation of over-the-counter drugs [...] - H.R. 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions - Issues related to drug importation - S. 2543, 'Prescription Drug Pricing Reduction Act of 2019', regarding all provisions [...] - Executive Order 13948: Lowering Drug Prices by Putting America First - Executive Order 13939: Lowering Prices for Patients by Eliminating Kickbacks to Middlemen - Executive Order 13938: Increasing Drug Importation To Lower Prices for American Patients - Executive Order 13937: Access to Affordable Life-Saving Medications"	\$860,000
Q2 2020	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to the regulation of over-the-counter drugs [...] - H.R. 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions - Issues related to drug importation - S. 2543, 'Prescription Drug Pricing Reduction Act of 2019', regarding all provisions"	\$1,760,000
Q1 2020	Johnson & Johnson Services Inc.	Johnson & Johnson Services Inc.	"- Issues related to the regulation of over-the-counter drugs [...] - H.R. 3, 'Elijah E. Cummings Lower Drug Costs Now Act', regarding all provisions - Issues related to drug importation - S. 2543, 'Prescription Drug Pricing Reduction Act of 2019', regarding all provisions"	\$1,480,000
TOTAL:				\$13,950,000

Eli Lilly And Company—Whose Chief Executive Officer Blamed The "Problems Of Affordability" On Insurance Companies and Who Is On PhRMA's Board Of Directors—Saw Its FY 2021 Revenue Soar To \$28.3 Billion—A 15% Increase YoY—Spent \$16.7 Million Lobbying On "Drug Pricing, Value And Access," Including "Build Back Better, Subtitle J (Part B And D Drug Pricing)."

Eli Lilly's Chief Executive Officer David Ricks—Who Blamed The "Problems Of Affordability" On Insurance Companies And Argued Negotiating Drug Prices Would "Fundamentally Restructure How Our Business Model Works"—Is On PhRMA's Board Of Directors And Signed An Industry Letter To Congress Advocating For Them To "Abandon Old Partisan Ideas" On Proposals To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies.

December 2021: In An Interview With CNBC, Eli Lilly And Company CEO David Ricks Said That Rhetoric On Capping Insulin Prices At \$35 "Misses" At "Fixing The Underlying Problems Of Affordability" Which "We See As An Insurance Problem." "For insulin, and I think this case study highlights, you know kind of the misses in the rhetoric here at fixing the real underlying problems of affordability and medication which we see first and foremost as an insurance problem." [CNBC via YouTube, [12/15/21 \(5:05\)](#)]

October 2021: David Ricks Said In An Interview With CNBC That Allowing Medicare To Negotiate Drug Prices Would "Fundamentally Restructure How Our Business Model Works" And Lead To Eli Lilly

Cutting "R&D By More Than 40 Percent." "What was proposed in the budget instruction in the Senate and passed through the House Ways and Means Committee is a \$700 billion ask of the industry over the next 10 years. Just to put that in perspective that would be 40 percent of the revenues in the industry in the United States and we think would fundamentally restructure how our business model works. Certainly, for big companies like Lilly, if we have a 40 revenue cut, we're going to have to cut R&D by more than 40 percent." [CNBC via YouTube, [10/04/21 \(0:41\)](#)]

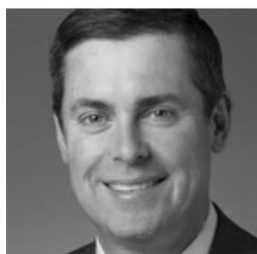
September 2021: Eli Lilly Was A Signature On An Open Letter Sent By PhRMA To Capitol Hill Which Called On Congress To "Abandon Old Partisan Ideas" On Proposals To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies. "Today, PhRMA member companies made public an open letter to Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs." [PhRMA, [09/15/21](#)]

- **According To PhRMA's Website, Eli Lilly Chair And Chief Executive Officer David Ricks Is On The Trade Association's Board Of Directors.**

Leaders

Board of Directors

Senior Executives



David Ricks

Chair and Chief
Executive Officer
Eli Lilly and Company

[PhRMA, accessed [07/07/22](#)]

In FY 2021, Eli Lilly's Revenue Soared To \$28.3 Billion—A 15% Increase YoY—And Spent Over \$3.1 Billion On Shareholder Dividends And An Additional \$1.3 Billion On Stock Buybacks, In Addition To Spending \$900 Million On Shareholder Dividends And \$1.5 Billion On Stock Buybacks, During The First Quarter Of 2022 Alone.

During Its Q1 2022 Earnings Call, Chairman And CEO Dave Ricks Said That Eli Lilly Spent \$900 Million On Shareholder Dividends And \$1.5 Billion On Stock Buybacks, During The First Quarter Alone.

"Finally, we distributed nearly \$900 million in dividends in the first quarter and completed \$1.5 billion in share repurchases." [The Motley Fool, [04/28/22](#)]

During FY 2021, Eli Lilly Saw Its Revenue Increase To Over \$28.3 Billion, A 15% Increase YoY:

	Twelve Months Ended December 31,		
	2021	2020	% Chg.
Revenue	\$ 28,318.4	\$ 24,539.8	15%

[Eli Lilly, [02/03/22](#)]

Eli Lilly's Operating Income Increased To \$6.35 Billion, A 5% Increase From FY 2020:

Twelve Months Ended

December 31,

2021 2020 % Chg.

[...]

Operating income 6,357.1 6,058.0 5%

[Eli Lilly, [02/03/22](#)]

In Its FY 2021 Results, Eli Lilly Announced A 15% Dividend Increase For Shareholders. "The company announced a 15 percent increase for shareholders beginning in the first quarter of 2022." [Eli Lilly, [02/03/22](#)]

During 2021, Eli Lilly Also Spent Over \$3.1 Billion On Shareholder Dividends And An Additional \$1.3 Billion On Stock Buybacks, According To Eli Lilly CFO Anat Ashkenazi. "In 2021 we invested \$9.3 billion to drive our future growth through a combination of R&D expenditures, business development outlays and capital investments. In addition, we returned approximately \$3.1 billion to shareholders in dividends and repurchased approximately \$1.3 billion in stock." [The Motley Fool, [02/03/22](#)]

In The Past Two Years, Eli Lilly's CEO Took Home \$42.7 Million In Compensation.

In 2020 And 2021, Eli Lilly Chief Executive Officer David Ricks Earned \$21.2 Million And \$21.5 Million, Respectively, For A Combined Total Compensation Of \$42.7 Million.

CEO	2021 Compensation	2020 Compensation	Total Compensation
David A. Ricks	\$21,509,985	\$21,283,242	\$42,793,227

Since Q1 Of 2020, Eli Lilly Has Spent At Least \$12.4 Million Lobbying On "Drug Pricing, Value And Access," Including "H.R. 3, The Lower Drug Costs Now Act," "Affordable Prescriptions For Patients Act Of 2021," And "H.R. 5376 - Build Back Better Act, Subtitle J (Part B And D Drug Pricing)."

Since January 2020, Eli Lilly Has Spent At Least \$12,495,000 Lobbying The Federal Government On "Drug Pricing, Value And Access," Including "H.R. 5376 - Build Back Better Act, Subtitle J (Part B And D Drug Pricing);" "H.R. 3, The Lower Drug Costs Now Act," "Affordable Prescriptions For Patients Act Of 2021 (S 1435 & HR.2873)," Among Other Issues:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	Eli Lilly & Company	Eli Lilly & Company	"Drug pricing, value and access [...] 'Build Back Better' (HR.5376); Affordable Prescriptions for Patients Act of 2021 (S.1435); Prescription Drug User Fee reauthorization; prescription drug approval; Affordable Insulin Now Act (S.3700/HR.6833)"	\$1,510,000
Q4 2021	Eli Lilly & Company	Eli Lilly & Company	"Drug supply chain and shortages; Drug pricing, value and access; Transparency [...] Drug importation; Prescription drug value and access; "Affordable Prescriptions for Patients Act of 2021 (S 1435 & HR.2873); Affordable Prescriptions for Patients Act of 2021 (S.1435)"	\$2,180,000
Q3 2021	Eli Lilly & Company	Eli Lilly & Company	"Drug supply chain and shortages; Drug pricing, value and access; Transparency [...] Drug importation; Prescription drug value and access; Affordable Prescriptions for Patients Act of 2021 (S 1435 & HR.2873)."	\$1,320,000

Q2 2021	Eli Lilly & Company	Eli Lilly & Company	"Patient protection; Drug supply chain and shortages; Drug pricing, value and access; Transparency; [...] Drug importation; Prescription drug value and access"	\$1,675,000
Q1 2021	Eli Lilly & Company	Eli Lilly & Company	"Patient protection; Drug supply chain and shortages; Drug pricing, value and access; Transparency; [...] Medicare & Medicaid prescription drug reimbursement, coverage and value; Prescription Drug Pricing Reduction Act (PDPRA - S.4199); [...] Drug importation; Prescription drug value and access"	\$1,840,000
Q4 2020	Eli Lilly & Company	Eli Lilly & Company	"drug supply chain and shortages; Drug pricing, value and access [...] Drug importation; Prescription drug value and access [...]Prescription Drug Pricing Reduction Act (PDPRA) (S. 4199)"	\$950,000
Q2 2020	Eli Lilly & Company	Eli Lilly & Company	"drug supply chain and shortages; Drug pricing and value; Transparency; [...]Medicare & Medicaid prescription drug reimbursement and value; Prescription Drug Pricing Reduction Act (PDPRA)(S.4199);"	\$1,730,000
Q1 2020	Eli Lilly & Company	Eli Lilly & Company	"Drug supply chain and shortages; Drug pricing and value; [...] Medicare & Medicaid prescription drug reimbursement and value; Prescription Drug Pricing Reduction Act (PDPRA)"	\$1,290,000
TOTAL:				\$12,495,000

While Pfizer's CEO Accused Congress Of Wanting To "Take All The Money From The Pharmaceutical Industry," The Company Raised Prices On Its COVID-19 Vaccine, Touted 2021 As "A Watershed Year," With A 140% Increase In Net Income To Nearly \$22 Billion, And Spent At Least \$23.8 Million Lobbying Policies That Would Lower Prescription Drug Costs For Americans, Including "H.R.3, The Elijah E. Cummings Lower Drug Costs Now Act," "H.R..22/S.2164 The Lower Costs, More Cures Act," And "H.R.5376, The Build Back Better Act."

Pfizer CEO Albert Bourla—Who Is On The Board Of Directors At PhRMA—Sent A Video To Pfizer Staff "Urging Them To Fight Proposed Drug Price Negotiations," And Told Yahoo! Finance That Congress Wanted To "Take All The Money From The Pharmaceutical Industry," While Receiving Over \$45.3 Million In Compensation Since The Start Of The Pandemic, As The Firm Has Raised Prices On Its COVID-19 Vaccine.

October 2021: Pfizer CEO Albert Bourla Said In An Interview With Yahoo! Finance That Efforts By The Government To Lower The Price Of Prescription Drugs Would "Take All The Money From The Pharmaceutical Industry" Adding That It Was An Issue Of "Out-Of-Pocket Costs Of Patients." "'Where we disagree is policies that will take all the money from the pharmaceutical industry and move them to the black hold of the federal budget to do other things,' he said. 'This is the issue right now. The issue is the out-of-pocket costs of patients, which are very, very high. That's what we need to address.'" [Yahoo! Finance, [10/28/21](#)]

September 2021: Pfizer CEO Albert Bourla Sent A Video Message To Employees "Urging Them To Fight Proposed Government Drug Price Negotiations." "'When we asked the Pfizer colleagues to develop a Covid-19 vaccine in less than a year, you did. When we asked you to rapidly expand manufacturing so we can produce 3, 4 billion doses per year you did it,' Bourla said. "'Now, we are asking you to do something equally important to educate yourself regarding policies that will help our breakthroughs get into the hands of those who need them, while protecting our sector's ability to develop those breakthroughs in the first place.'" [Politico, [09/22/21](#)]

- **Bourla Also Said That Proposals From Democrats "Will Have A Little Positive Impact On Patients Where It Really Matters At The Pharmacy."** "Albert Bourla said he was "particularly disappointed" that a House Democratic leadership-backed drug pricing plan and similar proposals "will have a little positive impact on patients where it really matters at the pharmacy." [Politico, [09/22/21](#)]

September 2021: Pfizer Signed Onto A Letter Sent To Capitol Hill By PhRMA Calling On Congress To "Abandon" A Proposal Which Would Allow Medicare To Negotiate With Pharmaceutical Companies To Lower The Costs Of Prescription Drugs. "Today, PhRMA member companies made public an open letter to Capitol Hill to encourage Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs." [PhRMA, [09/15/21](#)]

- **According To PhRMA's Website, Pfizer's Chairman And CEO Albert Bourla Is On The Trade Association's Board Of Directors.** [PhRMA, accessed [07/07/22](#)]

Leaders

> Board of Directors

Senior Executives



**Albert Bourla, DVM,
Ph.D**

Chairman & Chief Executive
Officer
Pfizer Inc.

[PhRMA, accessed [07/07/22](#)]

Between 2020 And 2021, Pfizer CEO Albert Bourla Has Received Nearly \$45.4 Million In Compensation.

CEO	2021 Compensation	2020 Compensation	Total Compensation
Albert Bourla	\$24,353,219	\$21,033,570	\$45,386,789

Pfizer's CEO Touted 2021 As "A Watershed Year," With A 140% Increase In Net Income To Nearly \$22 Billion And \$8.7 Billion In Shareholder Dividends— Meanwhile, It Has Projected "Durable COVID-19 Revenues" While Facing Criticism For Maximizing Its Profits In Vaccine Contracts And Blocking Low-Income Countries' Access To The Vaccine.

Pfizer Chairman And CEO Albert Bourla Called 2021 "A Watershed Year" For The Company, In Which It "Set All-Time Highs In All Major Areas Of Focus." "Albert Bourla -- Chairman and Chief Executive Officer Thank you, Chris. Hello, everyone. 2021 was a watershed year for Pfizer, a year in which we set all-time highs in all major areas of focus for Pfizer." [The Motley Fool, [02/08/22](#)]

Pfizer's FY 2021 Net Income Was \$21.979 Billion, A 140% Increase From Its FY 2020 Net Income Of \$9.159 Billion:

(\$ in millions, except per share amounts)

	Fourth-Quarter			Full-Year		
	2021	2020	Change	2021	2020	Change
Revenues	\$ 23,838	\$ 11,634	105%	\$ 81,288	\$ 41,651	95%
Reported Net Income ⁽²⁾	3,393	847	*	21,979	9,159	*

[Pfizer, [02/08/22](#)]

Pfizer Spent \$8.7 Billion On Shareholder Dividends In Its FY 2021, A 3% Increase From Its FY 2020.

"During full-year 2021, Pfizer paid \$8.7 billion of cash dividends, or \$1.56 per share of common stock, which represents an increase in dividends per share of 3% compared to full-year 2020." [Pfizer, [02/08/22](#)]

In Its Q4 2021 Earnings Presentation, Pfizer Said It Expected To Be "A Growth Company From 2025-2030, Driven By: [...] Durable COVID-19 Revenues."

- Pfizer anticipated to continue to be a **growth company** from 2025-2030, driven by:
 - Durable COVID-19 revenues

[Pfizer, [02/08/22](#)]

Pfizer Used Its Power To "Shift Risk And Maximize Profits" In Its COVID-19 Vaccine Government Contracts, Which Included Language To Block Donation Of Vaccine Doses And To "Demand Public Assets As Collateral." "A report released Tuesday by Public Citizen, a consumer rights advocacy group that gained access to a number of leaked, unredacted Pfizer contracts, sheds light on how the company uses that power to 'shift risk and maximize profits,' the organization argues. [...] Public Citizen found common themes across contracts, including not only secrecy but also language to block donations of Pfizer doses. Disputes are settled in secret arbitration courts, with Pfizer able to change the terms of key decisions, including delivery dates, and demand public assets as collateral." [The Washington Post, [10/19/21](#)]

Headline: In secret vaccine contracts with governments, Pfizer took hard line in push for profit, report says [The Washington Post, [10/19/21](#)]

August 2021: Pfizer Raised The Price Of Its COVID-19 Vaccine By 25% In Its Supply Contract With The European Union. "Both Pfizer and Moderna have upped the prices of their Covid-19 coronavirus mRNA vaccines in their latest supply contracts to the European Union (EU). According to Reuters, each Pfizer/BioNTech vaccine dose will now be 19.50 euros, a 25% increase from the 15.50 euros previous price. That's going from about \$18.40 to \$23.15 in U.S. dollars." [Forbes, [08/01/21](#)]

Pfizer Was Projected To Sell \$54.5 Billion Worth Of COVID-19 Vaccine In 2022. "Analytics firm Airfinity this week predicted Pfizer will sell \$54.5 billion worth of coronavirus vaccine next year, almost twice the value of Moderna's sales." [The Washington Post, [10/19/21](#)]

Pfizer Has Reportedly Blocked "Low-Income Countries From Accessing Its Novel Technology, While Enriching Shareholders." "Yet, even as the corporation has led in the fight against Covid-19 in wealthy countries, it has held a vaccine monopoly, blocking low-income countries from accessing its novel technology, while enriching shareholders at levels advocates for vaccine equity label 'obscene.' The corporation is making as much as \$1 million in profits every hour from vaccine sales, according to Oxfam, and its executives boast that revenues will expand exponentially in 2022." [The Nation, [02/10/22](#)]

In Its Most Recent Q1 2022 Earnings Results, Pfizer Reported The Company Spent \$2.2 Billion On Cash Dividends And An Additional \$2 Billion On Stock Buybacks. "During the first three months of 2022, Pfizer returned \$4.2 billion directly to shareholders through a combination of: [...] \$2.2 billion of cash dividends, or \$0.40 per share of common stock, and [...] \$2.0 billion, which was used to purchase 39.1 million shares on the open market in March 2022 at an average cost of \$51.10 per share." [Pfizer, [05/03/22](#)]

Since Q1 Of 2020, Pfizer Have Spent At Least \$23.8 Million Lobbying On "Drug Pricing Proposals," "Including H.R.3, The Elijah E. Cummings Lower Drug Costs Now Act; H.R.22/S.2164, The Lower Costs, More Cures Act; H.R.5376, The Build Back Better Act."

Since January 2020, Pfizer Has Spent At Least \$23,860,000 Lobbying The Federal Government On "Issues Related To Drug Pricing, Value, And Transparency," Along With Proposed Legislation And Executive Orders, Among Other Issues:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	Pfizer Inc.	Pfizer Inc.	"Drug Pricing"	<u>\$2,740,000</u>
Q4 2021	Pfizer Inc.	Pfizer Inc.	"Drug Pricing"	<u>\$2,980,000</u>
Q3 2021	Pfizer Inc.	Pfizer Inc.	"Drug Pricing"	<u>\$1,780,000</u>
Q2 2021	Pfizer Inc.	Pfizer Inc.	"Drug Pricing"	<u>\$2,330,000</u>
Q1 2021	Pfizer Inc.	Pfizer Inc.	"Drug Pricing Biosimilars Drug Shortages Out-of-Pocket Costs Rebate Reform Vaccine Infrastructure Drug Importation"	<u>\$3,160,000</u>
Q4 2020	Pfizer Inc.	Pfizer Inc.	"Drug Pricing Biosimilars Drug Shortages Out of Pocket Costs Rebate Reform Vaccine Infrastructure Drug Importation"	<u>\$2,380,000</u>
Q3 2020	Pfizer Inc.	Pfizer Inc.	"Drug Pricing Biosimilars Drug Shortages Out of Pocket Costs Value Based Arrangements Rebate Reform Vaccine Infrastructure Drug Importation"	<u>\$1,930,000</u>
Q2 2020	Pfizer Inc.	Pfizer Inc.	"Drug Pricing Biosimilars Drug Shortages Out of Pocket Costs Value Based Arrangements Rebate Reform"	<u>\$2,470,000</u>
Q1 2020	Pfizer Inc.	Pfizer Inc.	"Drug Pricing"	<u>\$4,090,000</u>
TOTAL:				\$23,860,000

AbbVie—Who Signed Onto An Industry Letter Calling On Congress To "Abandon" A Proposal Which Would Allow Medicare To Negotiate Lower Prescription Drug Prices For Consumers—Saw Its Net Earnings Climb By 150% Since 2020, Spent Over \$9.3 Billion On Its Shareholders And An Additional \$670 Million On Stock Buybacks, As The Pharmaceutical Maker Also Spent At Least \$16,710,000 On Lobbying "Including H.R. 3, The Elijah E. Cummings Lower Drug Costs Now Act" And "Build Back Better Act."

AbbVie—Whose CEO Testified Before The House Oversight Committee That "Reducing Drug Prices Alone Will Not Alleviate The Challenges Of Access And Affordability"—Signed Onto An Industry Letter Sent To Capitol Hill Calling On Congress To "Abandon" Legislation That Would Allow Medicare To Negotiate The Prices Of Prescription Drugs With Pharmaceutical Companies.

September 2021: AbbVie Was A Signature On An Open Letter Sent By PhRMA To Capitol Hill Which Called On Congress To "Abandon Old Partisan Ideas" On Proposals To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies. "Today, PhRMA member companies made public an open letter to Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs." [PhRMA, [09/15/21](#)]

- According To PhRMA's Website, AbbVie's Executive Vice President Jeffrey R. Stewart Is A Member Of The Board Of Directors. [PhRMA, accessed [07/07/22](#)]

Leaders

➤ Board of Directors

Senior Executives



Jeffrey R. Stewart

Executive Vice President
AbbVie

[PhRMA, accessed [07/07/22](#)]

May 2021: During A Hearing Before The House Committee On Oversight And Reform, AbbVie CEO Richard Gonzalez Said That "Reducing Drug Prices Alone Will Not Alleviate The Challenge Of Access And Affordability." " AbbVie's Richard Gonzalez faced tough questions from the Oversight and Reform Committee, with Democrats accusing the company of taking advantage of patients and the health care system to charge more for medicine and bring in billions of dollars for revenue and executive bonuses. [...] "For these patients, reducing drug prices alone will not alleviate the challenge of access and affordability," said AbbVie CEO Richard Gonzalez. [The Hill, [05/18/21](#)]

In FY 2021, AbbVie Saw Its Net Revenues Climb By Over \$10 Billion, Saw Its Net Earnings Jump By 150% YoY To Over \$11.5 Billion, And Saw Its Operating Earnings Increase 57.7% To Over \$17.9 Billion, As The Firm Spent Over \$9.3 Billion In Cash Dividends And \$670 Million On Stock Buybacks During 2021, And Announced An Additional \$1.4 Billion In Approved Stock Buybacks As Of March 31, 2022.

During FY 2021, AbbVie Saw Its Net Revenue Climb By Over \$10 Billion To Nearly \$56.2 Billion, Up 22.7% YoY:

	Twelve Months Ended December 31	
	2021	2020
Net revenues	\$ 56,197	\$ 45,804

[AbbVie, [01/05/22](#)]

In FY 2021, AbbVie's Net Earnings Climbed By Nearly \$7 Billion, A Nearly 150% Increase YoY:

Twelve Months Ended December 31	
2021	2020
[...]	
11,549	4,622
[AbbVie, 01/05/22]	

In Addition, AbbVie Saw Its Operating Earnings Climb By Over \$6.5 Billion, A 57.7% Increase YoY:

Twelve Months Ended December 31	
2021	2020
[...]	
17,924	11,363
[AbbVie, 01/05/22]	

May 2021: According To A House Staff Report From Representative Carolyn B. Maloney's Office (D-NY), AbbVie Has Increased The Prescription Drug, Humira, Multiple Times Over A Decade, Leading To The Arthritis Treatment Becoming The "Nation's Top-Selling Drug." "In the 48-page report released ahead of AbbVie CEO Richard Gonzalez's appearance on Capitol Hill on Tuesday, the House Committee on Oversight and Reform found that Humira is the nation's top-selling drug "due in large part to AbbVie's price increases." Those costs have "placed significant strain on U.S. patients and their families" who have been left with greater out-of-pocket expenses." [Fierce Pharma, [05/18/21](#)]

In An SEC Filing, AbbVie Spent \$9.3 Billion On Cash Dividends In 2021 And \$7.7 Billion In 2020. "Financing cash flows also included cash dividend payments of \$9.3 billion in 2021 and \$7.7 billion in 2020." [Securities and Exchange Commission, [02/18/22](#)]

AbbVie Has Also Spent Approximately \$670 Million On Stock Buybacks During FY 2021 And \$757 Million In FY 2020. "AbbVie repurchased 6 million shares for \$670 million in 2021, 8 million shares for \$757 million 2020..." [Securities and Exchange Commission, [02/18/22](#)]

In A Recent Quarterly Filing, AbbVie Also Disclosed That The Company Has Spent \$1.1 Billion In The First Three Months Of 2022, With A "Remaining Stock Repurchase Authorization" Of "Approximately \$1.4 Billion." "AbbVie repurchased 8 million shares for \$1.1 billion during the three months ended March 31, 2022 [...] AbbVie's remaining stock repurchase authorization was approximately \$1.4 billion as of March 31, 2022." [Securities and Exchange Commission, [05/06/22](#)]

AbbVie CEO Richard A. Gonzalez Saw An Annual Compensation Of \$24,007,591 In 2020 And \$23,912,145 In 2021, For A Total Compensation Of Nearly \$48 Million:

CEO	2021 Compensation	2020 Compensation	Total Compensation
Richard A. Gonzalez	\$23,912,154	\$24,007,591	\$47,919,745

Since Q1 Of 2020, AbbVie Have Spent At Least \$16.7 Million Lobbying On "Drug Cost And Pricing Policy Issues," Including "Including H.R.3, The Elijah E. Cummings Lower Drug Costs Now Act; H.R.22/S.2164," "The Lower Costs, More Cures Act," And "H.R.5376, The Build Back Better Act."

Since January 2020, AbbVie Has Spent At Least \$16,710,000 Lobbying The Federal Government On "Drug Cost And Pricing Policy Issues," Including "'H.R. 3, Elijah E. Cummings Lower Cost Drugs Now Act," "H.R. 19, Lower Costs, More Cures Act," And "H.R. 5376, The Build Back Better Act," Among Other Issues:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	AbbVie Inc.	AbbVie Inc.	"H.R. 3, Elijah E. Cummings Lower Cost Drugs Now Act H.R. 19, Lower Costs, More Cures Act H.R. 5260, Reduced Costs and Continued Cures Act H.R. 5801, Help Ensure Lower Patient Copays Act S. 2164, Lower Costs, More Cures Act of 2021 Drug cost and pricing policy issues"	\$3,980,000
Q4 2021	AbbVie Inc.	AbbVie Inc.	"H.R. 3, Elijah E. Cummings Lower Cost Drugs Now Act - all H.R. 19, Lower Costs, More Cures Act - all H.R. 5260, Reduced Costs and Continued Cures Act - all H.R. 5801, Help Ensure Lower Patient Copays Act - all S. 2164, Lower Costs, More Cures Act of 2021 - all Drug cost and pricing policy issues"	\$1,290,000
Q3 2021	AbbVie Inc.	AbbVie Inc.	"H.R. 3, Elijah E. Cummings Lower Cost Drugs Now Act - all H.R. 19, Lower Costs, More Cures Act - all H.R. 5260, Reduced Costs and Continued Cures Act - all S. 2164, Lower Costs, More Cures Act of 2021 - all Drug cost and pricing policy issues Patient affordability issues"	\$1,940,000
Q2 2021	AbbVie Inc.	AbbVie Inc.	"H.R. 3, Elijah E. Cummings Lower Cost Drugs Now Act H.R. 19, Lower Costs, More Cures Act S. 2164, Lower Costs, More Cures Act of 2021 Drug cost and pricing policy issues Patient affordability issues"	\$680,000
Q1 2021	AbbVie Inc.	AbbVie Inc.	"H.R. 2007: The Stephanie Tubbs Jones Uterine Fibroid Research And Education Act Of 2021 340B drug discount program policy issues Drug cost and pricing policy issues Patient affordability issues"	\$3,090,000
Q4 2020	AbbVie Inc.	AbbVie Inc.	"H.R. 1425, Patient Protection and Affordable Care Enhancement Act - provisions relating to pharmaceutical price controls H.R.6383, Uterine Fibroid Research and Education Act of 2020 H.R.7647, To provide for a COVID-19-related delay regarding annual limitation on cost-sharing for group health plans and individual and small group health insurance coverage 340B drug discount program policy issues Drug cost and pricing policy issues [...] H.R. 19, Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions S. 1895, Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues S. 2543, Prescription Drug Pricing Reduction Act of 2019 - Provisions related to Medicare Part D, Medicaid, and drug pricing S. 2911, Seniors Prescription Drug Relief Act of 2019 - Provisions related to Medicare Part D and Medicaid rebates S. 3129, Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions Executive Order 13948, White House Executive Order on Lowering Drug Prices by Putting America First Executive Order 13939, White House Executive Order on Lowering Prices for Patients by Eliminating Kickbacks to	\$650,000

			<p>Middlemen Policy Proposals related to Medicare Part D and patient cost-sharing Department of Health and Human Services (HHS) drug policy issues and regulatory policy issues</p>	
Q3 2020	AbbVie Inc	AbbVie Inc.	<p>"H.R. 1425, Patient Protection and Affordable Care Enhancement Act - provisions relating to pharmaceutical price controls H.R.6383, Uterine Fibroid Research and Education Act of 2020 H.R.7647 - To provide for a COVID-19-related delay regarding annual limitation on cost-sharing for group health plans and individual and small group health insurance coverage. 340B drug discount program policy issues Drug cost and pricing policy issues Patient affordability issues [...] H.R. 3: Lower Drug Costs Now Act of 2019 - Provisions related to prescription drug pricing, foreign reference pricing, Part D, manufacturer rebates, and other provisions H.R. 19: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions S. 1895: Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues S. 2543, Prescription Drug Pricing Reduction Act of 2019 - Provisions related to Medicare Part D, Medicaid, and drug pricing S. 2911, Seniors Prescription Drug Relief Act of 2019 - Provisions related to Medicare Part D and Medicaid rebates S. 3129: Lower Costs, More Cures Act of 2019 - Provisions related to prescription drug pricing, transparency, manufacturer rebates and other provisions Executive Order 13948, White House Executive Order on Lowering Drug Prices by Putting America First Executive Order 13938, White House Executive Order on Increasing Drug Importation to Lower Prices for American Patients Executive Order 13939, White House Executive Order on Lowering Prices for Patients by Eliminating Kickbacks to Middlemen Policy Proposals related to Medicare Part D and patient cost-sharing"</p>	\$1,430,000
Q2 2020	AbbVie Inc	AbbVie Inc.	<p>"H.R. 1425, Patient Protection and Affordable Care Enhancement Act - provisions relating to pharmaceutical price controls H.R.6383, Uterine Fibroid Research and Education Act of 2020 340B drug discount program policy issues Drug cost and pricing policy issues Patient affordability issues [...] S. 2543, Prescription Drug Pricing Reduction Act of 2019 - Provisions related to Medicare Part D, Medicaid, and drug pricing S. 2911, Seniors Prescription Drug Relief Act of 2019 - Provisions related to Medicare Part D and Medicaid rebates Policy Proposals related to Medicare Part D and patient cost-sharing Department of Health and Human Services (HHS) drug policy issues and regulatory policy issues Medicaid Program; Establishing Minimum Standards in Medicaid State Drug Utilization Review (DUR) and Supporting Value-Based Purchasing (VBP) for Drugs Covered in Medicaid, Revising Medicaid Drug Rebate and Third Party Liability (TPL) Requirements"</p>	\$670,000
Q1 2020	AbbVie Inc	AbbVie Inc.	<p>"H.R. 3, Lower Drug Costs Now Act of 2019 - Provisions related to non-interference, International Pricing Index Model and Medicare Part D H.R. 1506, Fair and Immediate Release of (FAIR) Generic Drugs Act - Provisions related to generic prescription drug approvals H.R. 2113, Prescription Drug STAR Act - Provisions related to transparency of prescription drug pricing</p>	\$2,980,000

			S.1895, Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues H.R. 6201, Families First Coronavirus Response Act - provisions related to health care 340B drug discount program policy issues Drug cost and pricing policy issues [...] H.R. 3, Lower Drug Costs Now Act of 2019 - Provisions related to non-interference, International Pricing Index Model and Medicare Part D H.R. 1506, Fair and Immediate Release of (FAIR) Generic Drugs Act - Provisions related to generic prescription drug approvals H.R. 2113, Prescription Drug STAR Act - Provisions related to transparency of prescription drug pricing S.1895, Lower Health Care Costs Act - Provisions related to prescription drug pricing, transparency and patent issues H.R. 6201, Families First Coronavirus Response Act - provisions related to health care 340B drug discount program policy issues Drug cost and pricing policy issues"	
			TOTAL:	\$16,710,000

Merck & Co., Inc.—Whose Chairman And Former CEO Said That Congress's Proposal To Lower Drug Prices Would "Devastate This Industry" And Cause Merck To Cut R&D By "50%"—Saw Its GAAP Net Income Climb To \$12.3 Billion And Sales Jump By 17% YoY From 2020, Has Spent At Least \$17.1 Million On Lobbying Against Proposals That Would Allow Medicare To Negotiate Lower Prescription Drug Prices With Pharmaceutical Companies, Meanwhile Restarting Its Share Repurchase Program And Spending Over \$840 Million On Stock Buybacks And Giving Its Shareholders An Additional \$6.6 Billion In Cash Dividends.

Merck & Co., Inc.—Whose CEO And President Is A Board Member At PhRMA—Signed Onto An Industry Letter Calling On Congress To "Abandon" A Proposal Which Would Allow Medicare To Negotiate The Prices Of Prescription Drugs, As Its Former CEO Also Said It Would "Devastate This Industry" And Cause Merck To Cut Research And Development (R&D) By "50%."

September 2021: Executive Chairman And Former CEO Of Merck, Ken Frazier Told Attendees At A Virtual Conference Hosted By PhRMA That Proposals In Build Back Better To Lower The Costs Of Prescription Drugs Would "Devastate This Industry" And Would Cause Merck To Cut R&D By "50%." "On Wednesday, Merck's executive chairman and former CEO Ken Frazier warned of dire consequences from such a move. 'The proposals that we're seeing from Congress will devastate this industry,' [...]" "While large companies like Merck will survive, we will do significantly less research.' Under the proposal, Merck would cut its R&D efforts by nearly 50%, Frazier said." [Fierce Pharma, [09/08/21](#)]

September 2021: Merck & Co., Inc. Was A Signature On An Open Letter Sent By PhRMA To Capitol Hill Which Called On Congress To "Abandon Old Partisan Ideas" On Proposals To Allow Medicare To Negotiate Prescription Drug Prices With Pharmaceutical Companies. "Today, PhRMA member companies made public an open letter to Congress to abandon old partisan ideas on drug pricing and instead pursue policies that actually address what patients pay out of pocket. [...] Government 'negotiation' – a smokescreen that gives the government the power to set the price of medicines and decide what medicines patients can and can't get – is the wrong approach to fix the health care system. It does nothing to hold insurers and middlemen accountable for pocketing savings from our companies that should go to patients to lower their costs." [PhRMA, [09/15/21](#)]

- According To PhRMA's Website, Merck Chief Executive Officer And President Robert M. Davis Is On The Trade Association's Board Of Directors. [PhRMA, accessed [07/07/22](#)]

Leaders

> Board of Directors

Senior Executives



Robert M. Davis

Chief Executive Officer and
President
Merck & Co., Inc.

[PhRMA, accessed [07/07/22](#)]

In FY 2021, Merck Saw Its Sales Jump By 24% To Over \$48.7 Billion, Saw Its GAAP Net Income Climb By Nearly \$8 Billion To Over \$12.3 Billion, As The Company Restarted Its Share Repurchase Program, Spending \$840 Million On Stock Buybacks And Rewarding Its Shareholders With An Additional \$6.6 Billion In Cash Dividends.

In FY 2021, Merck Saw Its Sales Climb By 24% To Over \$48.7 Billion, A 17% Increase YoY:

Year Ended		
Dec. 31, 2021	Dec. 31, 2020	Change
\$48,704	\$41,518	17%

[Merck, [02/03/22](#)]

Merck's GAAP Net Income Climbed To Over \$12.3 Billion, Up From \$4.5 Billion In 2020:

Year Ended		
Dec. 31, 2021	Dec. 31, 2020	Change
12,345	4,519	[...]

[Merck, [02/03/22](#)]

After Pausing Its Share Buyback Program In March 2020, Merck Restarted It In May 2021, Spending \$840 Million On Stock Buybacks During 2021, Announcing \$5 Billion In Additional Funds For Future Buybacks. " In May 2021, Merck restarted its share repurchase program, which the Company had temporarily suspended in March 2020. The Company spent \$840 million to purchase 11 million shares of its common stock for its treasury during 2021 under this program. As of December 31, 2021, the Company's remaining share repurchase authorization was \$5.0 billion." [Securities and Exchange Commission, [02/25/22](#)]

In Addition, Merck Rewarded Shareholders With Over \$6.6 Billion In Cash Dividends In 2021:

	2021	2020	2019
Dividends paid to stockholders	(6,610)	(6,215)	(5,695)

[Securities and Exchange Commission, [02/25/22](#)]

Former Merck CEO Kenneth Frazier Earned Nearly \$22.1 Million In 2020 And Incoming CEO Robert M. Davis Saw A Pay Increase Of Over \$6.8 Million, With The Two Earning \$37.2 Million And \$20.5 Million, Respectively Over The Past Two Years:

CEO	2021 Compensation	*2020 Compensation	Total Compensation
Robert M. Davis	\$13,722,121	\$6,839,510	\$20,561,631
Kenneth C. Frazier	\$15,196,920	\$22,088,429	\$37,285,349

*Kenneth C. Frazier retired in June 2021, with Robert M. Davis taking over as CEO on July 1, 2021.

Since January 2020, Merck & Co., Inc. Has Spent At Least \$17.1 Million On Lobbying Against Initiatives Aimed At Lowering The Costs Of Prescription Drugs, Including "H.R. 3 Elijah E. Cummings Lower Costs Now Act," "H.R. 19 Lower Costs, More Cures Acts Of 2021," "H.R. 5376 Build Back Better Act," And Other Legislation.

Since January 2020, Merck Has Spent At Least \$17,110,000 Lobbying The Federal Government On Policies Aimed At Lowering The Costs Of Prescription Drugs, Including "H.R. 3 Elijah E. Cummings Lower Costs Now Act," "H.R. 19 Lower Costs, More Cures Acts Of 2021," "H.R. 5376 Build Back Better Act," And Other Legislation:

Quarter / Year	Client	Registrant	Activity	Amount
Q1 2022	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, Elijah E. Cummings Lower Drug Costs Now Act H.R. 19 Lower Costs, More Cures Act of 2021 H.R. 5376, Build Back Better Act 340B drug pricing program; Drug pricing; Drug Pricing reforms - international reference prices and government price setting;"	\$2,120,000
Q4 2021	Merck & Co., Inc.	Merck & Co., Inc.	" H.R. 3, (116th Congress) Lower Drug Costs Now Act of 2019; H.R. 19 (116th Congress) Lower Costs, More Cures Act of 2019; S. 2543 (116th Congress) Prescription Drug Pricing Reduction Act of 2019."	\$1,500,000
Q3 2021	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 5376, Build Back Better Act; S. 2543 (116th Congress) Prescription Drug Pricing Reduction Act of 2019; S. 1895 (116th Congress) Lower Health Care Costs Act; 340B drug pricing program; Drug pricing; Drug Pricing reforms - international reference prices and government price setting."	\$1,700,000
Q2 2021	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, (116th Congress) Lower Drug Costs Now Act of 2019 H.R. 19 (116th Congress) Lower Costs, More Cures Act of 2019 S. 2543 (116th Congress) Prescription Drug Pricing Reduction Act of 2019."	\$1,220,000
Q1 2021	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, (116th Congress) Lower Drug Costs Now Act of 2019 H.R. 19 (116th Congress) Lower Costs, More Cures Act of 2019 S. 1895 (116th Congress) Lower Health Care Costs Act 340 drug pricing program; Drug pricing; Drug Pricing reforms - international reference prices and government price setting."	\$3,590,000
Q4 2020	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, Lower Drug Costs Now Act of 2019, including provisions relating to international reference pricing H.R. 19, Lower Costs, More Cures Act of 2019."	\$1,210,000
Q3 2020	Merck & Co., Inc.	Merck & Co., Inc.	" H.R. 3, Lower Drug Costs Now Act of 2019, including provisions relating to international reference pricing, S. 1895, Lower Health Care Costs Act S. 2543, Prescription Drug Pricing Reduction Act of 2019."	\$980,000
Q2 2020	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, Lower Drug Costs Now Act of 2019, including provisions relating to international reference pricing	\$2,620,000

			H.R. 748, Coronavirus Aid, Relief, and Economic Security (CARES) Act; S. 1895, Lower Health Care Costs Act S. 2543, Prescription Drug Pricing Reduction Act of 2019."	
Q1 2020	Merck & Co., Inc.	Merck & Co., Inc.	"H.R. 3, Lower Drug Costs Now Act of 2019, including provisions relating to international reference pricing H.R. 2069/S. 474, Stopping the Pharmaceutical Industry from Keeping drugs Expensive (SPIKE) Act S. 1895, Lower Health Care Costs Act S. 2543, Prescription Drug Pricing Reduction Act of 2019."	\$2,170,000
TOTAL:				\$17,110,000