

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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### Opening Statement Chairwoman Carolyn B. Maloney Full Committee Hearing “Unsustainable Drug Prices (Part III): Testimony from AbbVie CEO Richard Gonzalez” May 18, 2021

Good morning, and thank you all for being here.

For more than two years, this Committee has engaged in one of the most comprehensive and in-depth investigations of pharmaceutical pricing practices ever conducted by Congress. This investigation was launched by my predecessor, the late Chairman Elijah Cummings, and I have been proud to carry forward this critical work.

Last fall, the Committee held two hearings with drug company CEOs and released five staff reports detailing our findings. This morning, we released a sixth staff report describing our findings on AbbVie, which sells two blockbuster drugs: Humira and Imbruvica.

Our work has confirmed what patients in this country have known for a long time—drug prices in the United States are simply unfair, unsustainable, and just plain wrong.

This investigation also revealed something even more distressing: drug companies are actively targeting the U.S. for price increases, while cutting prices in the rest of the world.

They are doing this by taking advantage of flaws and loopholes in our system—most importantly, the law that prevents Medicare from negotiating directly with drug companies for lower prices.

Finally, our investigation has revealed that the justifications the pharmaceutical industry offers for why they need to raise prices simply do not hold water.

Today, we will hear from Richard Gonzalez, the CEO of AbbVie. We appreciate his attendance at today’s hearing. Unfortunately, this hearing was delayed because it took more than a year—and the threat of a subpoena—before AbbVie agreed to voluntarily comply with this Committee’s investigation.

AbbVie has repeatedly raised the prices of Humira, which is used to treat rheumatoid arthritis and other autoimmune diseases, and Imbruvica, a drug approved to treat different forms of cancer.

AbbVie charges approximately 77,000 dollars for a year’s supply of Humira. That is 470% more than when the drug was launched in 2003. Humira is the highest-grossing drug in the United States, due in large part to these price increases.

AbbVie and its partner Janssen Biotech charge even more—over 181,000 dollars—for a year’s supply of Imbruvica. That is 82% more than when the drug was launched in 2013. Experts estimate that by 2026, Imbruvica will be the fourth best-selling drug in the United States.

These prices are outrageous. Even more outrageous, is that Americans are the only ones paying them! In 2015, a single syringe of Humira was priced over 1,000 dollars higher in the U.S. than in countries like Canada, Japan, Korea, and the UK.

Even as AbbVie hikes its prices in the U.S., it has actually been dropping its prices in other countries.

In one internal presentation from 2016, AbbVie executives described this disparity as, quote, “positive price in the U.S. and negative price overseas.”

AbbVie’s price increases have paid off for the company’s bottom line. Last year alone, AbbVie collected 16 billion dollars in U.S. net revenue for Humira. And AbbVie and Janssen collected 4.3 billion dollars for Imbruvica. That is more than 20 billion dollars from American patients and taxpayers for just two drugs.

Our investigation also uncovered evidence that AbbVie has exploited the U.S. patent system and engaged in anticompetitive practices to extend its monopoly pricing.

The Committee has obtained internal documents showing that AbbVie’s own executives projected its top-selling drug Humira would face competition from lower-priced versions of the drug, known as biosimilars, beginning in 2017.

But AbbVie used legally questionable tactics to block lower-priced biosimilars from reaching American consumers until at least 2023. Those tactics made AbbVie a fortune—but cost Americans dearly.

Based on these findings, Judiciary Committee Chair Nadler, Judiciary Antitrust Subcommittee Chairman Cicilline, and I sent a letter to the FTC today asking for a formal inquiry into whether AbbVie’s anticompetitive practices violated the law.

Finally, I want to emphasize that drug companies make essential, life-saving products.

If the last year has taught us anything, it is that we are all indebted to the scientists who pioneer new cures, therapies, and vaccines.

So we want drug companies to be successful.

But abusive drug pricing and anticompetitive practices mean these medications are out of reach for far too many Americans.

And instead of investing in new innovations, drug companies like AbbVie are dedicating significant portions of their research budgets to coming up with new ways to suppress competing products.

That means Americans are paying more, but we are getting less innovation.

If we want to make a difference for patients and taxpayers, we need structural reforms, like H.R. 3, which would finally allow Medicare to negotiate for lower drug prices like the rest of the world does.

Congress must pass this commonsense reform and others so that patients and families can afford their prescriptions.

I want to close by playing statements from patients who want to share their experiences with us about these two drugs.

Thank you, and I now recognize the Ranking Member for his opening statement.

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