



*RunawayRx, a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.*

*The [San Jose Mercury News](#) editorial board this week addressed the need to end prescription drug price gouging as the widespread practice continues to drive up costs for state budgets, employers, labor unions, and consumers. With no end in sight, it's safe to say Americans will remain diligent in tackling this problem until pharmaceutical companies are held accountable for runaway drug prices.*

## **Mercury News editorial: End prescription drug price gouging**

*San Jose Mercury News*

**January 14, 2016**

**By Mercury News Editorial**

"Americans spent a mind-boggling \$370 billion on prescription drugs in 2014. The cost of medicines rose by more than 10 percent in 2015 for the third year in a row, far exceeding the inflation rate..."

"It's the impetus for San Francisco Assemblyman David Chiu's bill, AB 463, calling for more transparency on drug pricing. The bill would require [pharmaceutical companies] to report their costs and profits associated with any prescription drug costing patients more than \$10,000 a year. Chiu pulled the bill Tuesday for lack of support in a committee, but it deserves another look.

"Shkreli's Turing Pharmaceutical isn't the only out-of-control company. A year ago, consumer groups turned their rage on Foster City's Gilead Sciences for pricing its new hepatitis C drug at about \$1,000 a pill, or \$84,000 for patients requiring the full course of treatment.

"These types of cases are outrageous, but they take the focus from where it belongs: on the vast majority of drugs for which Big Pharma routinely jacks up the price by more than 10 percent a year, simply because it can.

"Those drugs are used in high volume, treating chronic diseases such as diabetes, arthritis and multiple sclerosis. They're the ones driving up overall prescription drug costs at an unsustainable rate."

**"[L]awmakers should remember that about 20 percent of all the research and development of prescription drugs is financed with tax dollars. In return, taxpayers deserve a more stable, affordable market."**

**Read more:** [http://www.mercurynews.com/opinion/ci\\_29385441/mercury-news-editorial-end-prescription-drug-price-gouging](http://www.mercurynews.com/opinion/ci_29385441/mercury-news-editorial-end-prescription-drug-price-gouging)

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*The California Association of Health Plans' RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit [www.RunawayRx.org](http://www.RunawayRx.org) or follow us on Twitter at [@Runaway Rx](https://twitter.com/RunawayRx).*