

**Prepared Opening Remarks  
Senator Thom Tillis (R-N.C.)  
For  
A hearing entitled  
“Intellectual Property and the Price of  
Prescription Drugs: Balancing Innovation  
and Competition”**

Chairman Graham, Ranking Member

Feinstein, I want to thank both of you for agreeing to hold today’s very important hearing.

I agree with you that pharmaceutical prices are too high and the ability to purchase affordable medicines should be something that concerns every member of this Committee.

I'm ready and willing to work with all of my colleagues on smart solutions which will promote innovation and competition, allow the United States to continue to be the leader in medical and pharmaceutical research, and will ultimately lower drug prices for consumers.

However, I'm concerned about the approach some of my colleagues are considering. I'm worried that they're trying to take a sledgehammer to a problem that needs a fine tuned and highly efficient scalpel.

The pricing of pharmaceutical products is influenced by a number of factors, including the ability to obtain patent protection. But patent protections are just one piece, a small piece really, of the drug pricing issue. There's also the issue of FDA regulatory and approval processes, antitrust and anticompetitive actions, pharmacy benefit managers and the role that insurance companies play in setting drug prices.

All of these pieces taken together produces the complex and increasingly frustrating issue of higher drug prices.

I'm concerned that by just focusing on patent protections, and the number of patent protections available to a single product, that we may be doing more harm than good to our nation's innovation economy. Pharmaceuticals are complex products. Just like an iPhone has thousands of patents, so does a complex pharmaceutical product.

Compare a drug to an iPhone. I think it is safe to say that no one in this room is still using the first generation iPhone. Most people use the iPhone “X” because it is faster, lighter, has a bigger screen, and takes sharper pictures than the first generation iPhone. In short, we want the new iPhone because it is better. The newest iPhone is better is because Apple continued to develop new technology to incorporate into the iPhone. We want to encourage this research and innovation, not penalize it.

In the same way, we don't want to penalize drug companies for improving the first version of a drug, we want to encourage that innovation and research.

I'm all in to combat higher drug prices by promoting competition and innovation, rooting out fraud, and reducing regulatory burdens for competitor products to enter the market.

But I can't support short-sighted solution  
which will harm the very people in the long-run  
that we're trying to help: American patients.

Again, thanks to the Chairman and Ranking  
Member. I look forward to working with both of  
you to address this very complex problem, and I  
now yield.