



Mylan CEO to face grilling on Capitol Hill

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By Patricia Sabatini / Pittsburgh Post-Gazette

A marketing professor has some advice for Mylan CEO Heather Bresch when she appears on Capitol Hill Wednesday to explain the skyrocketing cost of the EpiPen: Get out of the room as quickly as possible.

Ms. Bresch is set to testify before the House Oversight Committee amid a firestorm of criticism and accusations of price-gouging by the drugmaker, which has raised the price of the potentially life-saving allergy treatment more than 500 percent in recent years.

Such hearings generally are viewed as an opportunity for lawmakers to vent. And participants will be primed to do so on Wednesday, said George Haley, a pharmaceutical industry expert and professor of marketing at the University of New Haven in Connecticut, who has been following the EpiPen furor.

“The pharmaceutical industry in general has been tremendously greedy in recent years,” he said. “Many congresspeople are looking for someone to hold up as an example, and Mylan is it.”

The best move for Mylan and its image would be for Ms. Bresch to come to the hearing and announce that executives were rolling back their “excessive” salaries, Mr. Haley said. Ms. Bresch alone was paid some \$19 million last year.

“I can’t think of anything else they could do that would have an effect on the perceptions of Mylan or the pharmaceutical industry,” he said.

One of the worst tactics for the company would be to try to convince lawmakers that the EpiPen price increases were justified, he said. “The committee is not going to be in the mood to listen,” he said. “If [Mylan] can find a way to cut this [hearing] short ... that would be the best bet.”

The committee announced last month that it was launching an investigation into the EpiPen price hikes. “Families and schools are struggling to keep up with your company’s unreasonable price increases,” committee leadership wrote in a letter to Ms. Bresch on Aug. 29.

The letter also outlined numerous documents and information that Mylan was expected to turn over by last week, including sales and profits for the EpiPen since it was purchased by Mylan in 2007; details about how the company was compensated for each sale; figures for reimbursements under federal health care programs; and federal and state lobbying disclosure forms.

In addition to the House committee hearing, the EpiPen has triggered scrutiny in the Senate (including questions about whether the company shortchanged Medicaid by underpaying rebates for the EpiPen); an antitrust probe by New York’s attorney general; and protests and federal lawsuits by consumers.

Mylan, which reincorporated in the Netherlands but is run from Cecil, has responded to the backlash by expanding EpiPen assistance programs and promising to launch a half-price generic version of the autoinjector in coming weeks.

As for Wednesday’s hearing, Mr. Haley said the public can expect “a lot of bad publicity for Mylan ... a lot of posturing by congresspeople, and really not much else.”

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