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Rene is a former Editor for *Healthcare Finance News*.

## Sen. Schumer calls for FTC investigation into gray market drugs



NEW YORK CITY | October 10, 2011

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In light of the record drug shortages currently plaguing U.S. healthcare, Sen. Charles Schumer (D-NY) is calling for a Federal Trade Commission investigation into gray market drug resellers' exorbitant price mark-ups as possible price gouging.

Media reports noted that at a press conference on Sunday, Schumer cited a Premier healthcare alliance report released in August that claimed gray market vendors add huge price mark-ups to desperately needed drugs. In its analysis, Premier found the average mark-up for shortage drugs was 650 percent. The single highest mark-up was 4,533 percent for a drug used to treat high blood pressure.

**[See also: [Gray market vendors hike drug prices by as much as 4,500 percent](#)]**

CBS News quoted Schumer as saying, "So today I'm calling on the Federal Trade Commission to launch an investigation into possible price gouging of the so-called 'gray market' drug distributors, it's simply unconscionable for any drug reseller to purchase an already limited supply of drugs for the simple purpose of turning an outrageous profit."

"It's sort of like someone trying to corner the market on gold or silver - but this is worse, because these drugs are life or death for many patients," Schumer is quoted as saying in *New York Daily News*. "It's outrageous. It's immoral. It has to stop," he added.

In July, Schumer threw his support behind legislation that would create an early warning system within the [Food and Drug Administration](#) to help ward off shortages of life-saving drugs. The Preserving Access to Life-Saving Medications Act would require drug makers to immediately notify the FDA when a raw material shortage, manufacturing problem or production decision is likely to cause a drug shortage.

The goal of the early notification is to allow the FDA to work with other manufacturers, both domestic and international, to find new sources and ensure that the [supply chain](#) is not interrupted.

"With drug shortages on the rise, hospitals, physicians, pharmacists and patients cannot be the last to know when an important drug will be unavailable to them," said Schumer in a July press release.

**Topics:** [Community Benefit](#), [Policy and Legislation](#), [Quality and Safety](#), [Supply Chain](#), [Food and Drug Administration \(FDA\)](#)

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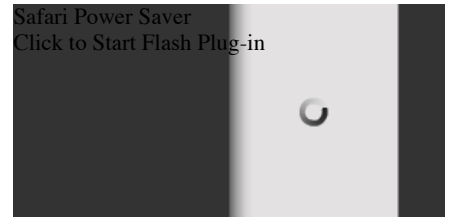
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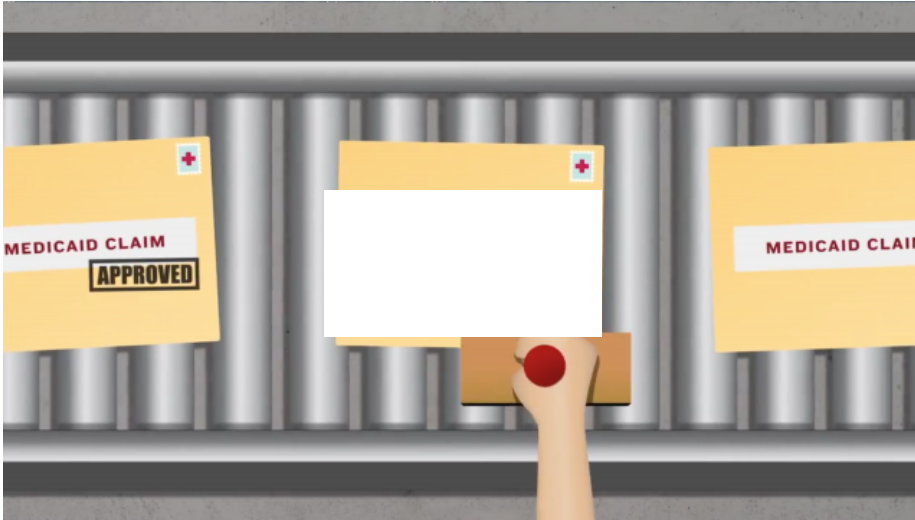
July 22, 2014 | Blake Evans, Brian Sanderson, Francis Hollweck

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