

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

To: Congressional Staff and Interested Parties

From: U.S. Chamber of Commerce

Date: February 22, 2019

RE: U.S. Chamber Campaign in Opposition to HHS's International Pricing Index Proposal

The U.S. Chamber of Commerce strongly opposes, and has launched a multifaceted campaign against, the Department of Health and Human Services' (HHS) International Pricing Index (IPI) proposal for prescription drugs under Medicare Part B and the Department's attempt at government intervention in the free market system.

HHS's IPI proposal would import price controls from other countries to the United States for the first time. The socialized health care systems of foreign countries would help set prices for treatments provided to millions of American seniors covered under Medicare.

Countries with government-run, socialized health care systems often use price controls as a means of limiting overall spending on health care. Prices are influenced by the desire to meet spending targets rather than the market-determined value of the product itself. In the best case, manufacturers have to accept the price mandated by the government, limiting the amount of money they are able to reinvest into research and development to find the next cure. In the worst case, already developed treatments are simply unavailable. For example, over the past 7 years, 32 fewer drugs have been introduced for the treatment of cancer in the 16 foreign countries utilized in the IPI proposal.

Importing foreign price controls into Medicare would impose the same negative consequences on American seniors and our healthcare system.

In addition to harming patients, the IPI proposal runs contrary to fundamental free market principles and would undermine American businesses.

While the current proposal is limited to certain drugs provided under Medicare Part B, if IPI is allowed to move forward it would represent a dangerous precedent that could be replicated by expanding to other markets/payers, as well as to other providers and health care services with compounding negative consequences.

You can learn more about the IPI proposal and why the Chamber opposes it at www.uschamber.com/stop-foreign-drug-pricing.

The site also includes useful information, such as:

- The TV ad the Chamber is airing in opposition to IPI;
- The number of seniors by state who will be potentially affected; and
- A comparison of the number of new drugs introduced for the treatment of certain medical conditions – such as cancer and diabetes – in the United States and the countries that would be setting Medicare prices under the IPI proposal.

While we applaud the administration's desire to reduce the cost of prescription medications for our seniors, we urge them to address this issue in a responsible manner that does not threaten access to care or quality of care.

The Chamber will continue to advocate for:

- The ingenuity of our American researchers who work tirelessly to develop life-saving treatments for the global good;
- The dignity of our seniors who deserve access to groundbreaking treatments and quality healthcare; and
- The flexibility our free markets require, which keep America the top economy in the world.

The Chamber urges members of Congress to contact HHS and let them know you oppose the International Pricing Index proposal.

For more information, contact Katie Mahoney at kmahoney@uschamber.com or at (202) 463-5825.