

**CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA**

NEIL L. BRADLEY
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July 15, 2019

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Wyden:

The U.S. Chamber of Commerce is extremely concerned about efforts to impose government price controls on critical cures, therapies, and treatments within Medicare through an inflation penalty. Such an arbitrary statutory limit on price increases would have significant unintended consequences that would ultimately harm patients and consumers.

This proposal would undermine the structure of the Part D program, and rather than achieving the intended goal, would actually encourage manufacturers to sell their products at a higher launch price to ensure their ability to recoup money for research and development. In addition, such a proposal would likely result in biopharmaceutical companies increasing prices for all of the products in their portfolios, even if those companies did not initially intend to raise prices. This would result in higher premiums for beneficiaries and in the commercial market.

Private payors, including those that participate in the Part D Program, already negotiate prices with manufacturers, and on average price inflation has remained relatively stable. In fact, the growth in the consumer price index for prescription drugs decreased in June 2019 from the 12 months prior, which is the lowest 12-month change since January 1968.

We urge the Senate to refrain from imposing price controls on manufacturers that would end up perversely increasing drug prices when cures are initially launched.

Sincerely,



Neil L. Bradley

cc: Members of the Senate Committee on Finance