

September 24, 2021

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

We, the undersigned organizations, represent the interests of every sector and segment of the business community and together unequivocally oppose H.R. 3, the “Lower Drug Costs Now Act of 2019.” Promises to pass along government price controls to the employer-sponsored market do not change our fervent opposition to these dangerous policies.

Our organizations serve as the voice of business.

- The U.S. Chamber of Commerce is the world’s largest business organization representing companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations. They all share one thing: They count on the U.S. Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.
- The National Association of Manufacturers (NAM) is the largest manufacturing association in the United States representing 14,000 manufacturers in every industrial sector and in all 50 states.
- The Small Business & Entrepreneurship Council (SBE Council) advocates for entrepreneurs and small business owners with a network of more than 100,000 member supporters, including entrepreneurs and small business owners, state and local business organizations, corporate partners and associations committed to strengthening the environment for entrepreneurship, investment, innovation and quality job creation.
- The Council for Affordable Health Coverage’s members include large companies and trade associations who represent hundreds of thousands of employees that all stand to lose access to medicines and flexibility in their benefits. Combined, our organizations serve as effective resources and strong advocates for the business and employer communities.

Together, we steadfastly oppose allowing the government to directly negotiate prescription drug rates and permitting other health care markets to pay these same rates. These policies would have tremendous negative consequences. Imposing government price controls on prescription drugs threatens to cut critical medical research dollars essential for innovation and development of new cures. The Congressional Budget Office recently estimated that H.R. 3 could result in nearly [60 fewer innovative medicines](#) over the next three decades.

Yet, this conservative estimate does not take into account the critical role that small- and medium-sized biotech companies play in the innovative R&D pipeline. Emerging biopharma companies account for [80% of the innovative pipeline](#). According to the Harvard Business School, venture capital firms invest nearly [\\$22 billion](#) annually in innovative biotech companies. H.R. 3 would therefore jeopardize the venture capital investment critical to supporting small- and medium-sized companies. Furthermore, analysis by Vital Transformations states the legislation could reduce by [over](#)

[90%](#) the new medicines developed by these emerging biotech firms. Taken together, this illustrates the devastating impact H.R. 3 would have on the pipeline for innovative treatments and cures in the United States.

Our organizations stand ready to support efforts and meaningful reforms that will address the cost of healthcare for Medicare Part D without sacrificing core free market principles. This reconciliation bill is not the appropriate legislative vehicle for that. Our organizations believe the cost of healthcare is too high for employers and all Americans, but a government price-setting is the wrong approach that must be abandoned.

Sincerely,

Council for Affordable Health Coverage
National Association of Manufacturers
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce