

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

May 4, 2021

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

The U.S. Chamber of Commerce strongly opposes H.R. 3, the “Lower Drug Costs Now Act of 2019.” This legislation would impose government price controls on prescription drugs, which threatens to cut critical medical research dollars essential for innovation and development of new cures while endangering the livelihood of nearly 1 million Americans. **Members who do not cosponsor this legislation will receive credit for the Leadership component of the Chamber's “How They Voted” legislative scorecard.**

The harmful proposals included in H.R. 3 would limit access, increase costs for employers and workers, and inhibit innovation. Economic analysis on the legislation support these assertions. The Congressional Budget Office has previously concluded that H.R. 3 would result in approximately eight fewer drugs being introduced to the U.S. market over the 2020-2029 period, and about 30 fewer drugs over the subsequent decade. Those 30 drugs represent approximately 10% of expected new drugs that would otherwise come to market. Research has also found that implementing international reference pricing in the United States would:

- Cut earnings by 62% on average for affected companies, with one third (32%) of affected companies having reductions larger than 95% of earnings.
- Diminish biopharmaceutical companies’ investments in smaller company R&D through M&A, partnerships and other arrangements.
- Reduce by 90%+ the number of medicines developed by small and emerging biotechs, resulting in 61 fewer medicines over 10 years.
- Disproportionately impact new treatments in rare diseases, oncology, and neurology.
- Create large investment ecosystem losses to smaller companies in 19 states.
- Eliminate nearly 200,000 biopharmaceutical industry jobs, and nearly 1 million jobs across the economy.

Rather than advancing proposals that will curb access to lifesaving medicines and eviscerate an estimated 1 million American jobs, policymakers should work to address the problems in our current system by taking the following steps:

- Consider ways to rework and reform the Medicare Part D benefit design;
- Streamline the innovator to generic transition;
- Help reduce costs for all Americans by moving towards a more value-based system that rewards outcomes and limits costs;
- Help Americans with out-of-pocket costs through expansion of Health Savings Accounts and Health Reimbursement Arrangements;
- Solidify the ACA’s exchanges through the use of risk corridors and funding cost-sharing reduction payments.

The Chamber looks forward to working with Congress on legislation that improves access to and reduces the cost of healthcare, and which preserves the free market and the employer-sponsored insurance system.

Sincerely,



Neil L. Bradley