

TAXPAYERS
PROTECTION
ALLIANCE

July 11, 2022

United States Senate
Washington, D.C. 20510

Dear Senator,

On behalf of the millions of taxpayers and consumers represented by the Taxpayers Protection Alliance (TPA), we write to voice our concern about Senate Majority Leader Chuck Schumer's (D-N.Y.) partisan drug pricing bill announced on July 6, 2022.

Since the beginning of the pandemic, drug manufacturers have showcased their ability to quickly innovate and bring to market life-saving treatments when Americans needed them most. The latest proposal to allow Medicare to negotiate costs would hamper R&D in the U.S. and keep medications out of reach for consumers.

Politicians are touting this proposal as Medicare “negotiation,” but it is really a guise for government dictated price controls that will stifle the most critical parts of the nation’s healthcare system’s innovative structure. Giving federal bureaucrats authority to arbitrarily set drug prices would limit resources and incentives for critical advancement in the research and development needed to save lives. Even worse, if drug manufacturers can’t afford to comply with the determined cost, these companies would have to pay an exorbitant 95 percent excise tax—a financially unrecoverable consequence for some.

Price controls inherently hurt companies trying to meet the demand for effective and safe drugs that keep vulnerable patients healthy. Instead of targeting drug manufacturers, Congress should focus its legislative efforts on the unfair practices of Pharmaceutical Benefit Managers (PBMs). This new bill repeals the rebate rule which sought to rein in PBM profiteering. These corporate middlemen are the real reason behind high drug costs and continue to get away with pocketing savings meant to lower costs for patients.

TPA urges you and your colleagues to fight misguided proposals and safeguard America’s healthcare system and the innovators. Ramming price controls into a reconciliation bill would have an irreversible impact on innovation and access to life-saving drugs in the country. The Biden administration and Democrats should pursue meaningful policies that protect patients, not harm them.

Sincerely,



David Williams
President

Taxpayers Protection Alliance, 1101 14th Street, NW., Suite 1120, Washington, D.C. 20005 (202) 930-1716
www.protectingtaxpayers.org