



December 6, 2019

United States House of Representatives
Washington, D.C. 20510

Dear Representative,

On behalf of millions of taxpayers and consumers across the country, the Taxpayers Protection Alliance (TPA) urges Congress to reject H.R. 3, the "Lower Drug Costs Now Act of 2019." While recognizing the necessity of congressional action to reduce prescription drug prices, House Speaker Nancy Pelosi's misguided proposal would have severe negative consequences for healthcare in the United States. The legislation would significantly reduce access to pharmaceuticals, as well as research for much-needed medical breakthroughs. Under this proposal, the federal government would "negotiate" with drug producers on medication prices, but manufacturers would be slapped with an up-to 95 percent tax on prior-year sales if they disagree with the government's "suggested" price. Price fixing has been a resounding failure everywhere it has been tried, leading to billions around the globe losing access to medications upon which they rely on a daily basis.

This tax on drug innovation would mean that countless companies offering life-saving products would have to rethink their decisions to stock American shelves with their medications. In Australia, the country where I spent many years of my life and whose healthcare system I have used for decades, a similar price-fixing regime has seen crippling medication shortages. In fact, less than half of all medications launched in the U.S. over the past decade have found their way to the land down under. And even for the medications that are launched in Australia, citizens must wait an average of 19 months longer to access these pharmaceuticals than their American peers.

This lag time has proved particularly devastating to tens of thousands of patients throughout Australia. To use just one example, chronic migraine sufferers across Australia continue to suffer, as the national government was unable to incentivize the production and sale of cutting-edge medication to treat their condition. According to one understandably-frustrated patient: "We can't drive, work, take care of our kids, or have anything that resembles a normal life. Reliant on a disability pension or family support, we are dumped on the garbage heap of the nation and forgotten." Yet if Speaker Pelosi's proposed price controls become the law of the land in the U.S., Americans will suffer the same frustrations and lack of access plaguing citizens of other nations.

Countries across Europe have faced similar shortfalls as central regulators set prices far lower than what is needed to launch innovative, life-saving medications. The continent used to be the leader in drug development, but a slew of rate-setting policies enacted in the 1970s by countries such as France, Germany, and the United Kingdom wreaked havoc on production and cost these nations thousands of

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well-paying jobs. Since then, the share of drug development in these countries has halved, and residents cross-continent complain about compromised access to medications upon which they rely on a daily basis. Just last year, roughly 40 percent of European pharmacists cited issues procuring heart disease medications for at-risk patients with high cholesterol. Americans' ready access to these groundbreaking medications would be seriously jeopardized by reckless government policies that only serve to stymie innovation.

Instead of deeply-misguided price control policies, TPA urges you to embrace reforms that would address the fundamental issues leading to high prices and spearhead new discoveries for decades to come. Because of the onerous Food and Drug Administration (FDA) approval policies that force producers to submit mountains of paperwork for therapies with proven success, the average medication takes more than \$2 billion to bring to market. Streamlining these procedures is a welcome alternative to price-fixing and can save taxpayers and patients tens of billions of dollars per year.

As such, in the interests of taxpayers and consumers, we strongly urge you to oppose H.R. 3, and instead focus on real solutions to the red tape increasing costs and holding back innovation.

Sincerely,



Tim Andrews
Executive Director