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In a rare political move, prominent biotech venture capitalists speak out against Pelosi's drug pricing bill

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A group of top biotech venture capitalists are issuing a stark warning to Congress: They won't be able to pour money into biotech research if Democrats' signature drug pricing bill becomes law.

"If policies such as those included within H.R. 3, the Lower Drug Costs Now Act, are passed, our ability to continue to invest in future biomedical innovation will be severely constrained, thus crushing the hopes of millions of patient waiting for the next breakthroughs," the letter states.

Drug makers, venture capitalists, and drug pricing experts, both Republican and Democratic, agree that the legislation, which would allow the government to negotiate the costs of high cost drugs and threaten hefty fines for companies that refuse to negotiate, will likely chill investment in small biotech companies. But estimates of the bill's potential impact vary: The Congressional Budget Office has said the bill would lead to eight to 15 fewer new drugs in the next 10 years, while industry estimates have said the bill would virtually decimate the small biotech sector's drug pipeline.

The signers of the letter, however, are perhaps more striking than the letter's message. Venture capitalists have generally avoided the fray of Washington politics, but, as this letter shows, they have increasingly been speaking out against Washington's drug pricing proposals.

The signers of the letter include some of biotech's most veritable venture capitalists, including Robert Nelsen of ARCH Venture Partners, Peter Kolchinsky of RA Capital Management, David Beier of Bay City Capital, Alex Karnal and Jonathan Leff of Deerfield Management and Doug Cole of Flagship Pioneering.

A number of venture capitalists have also joined Incubate, an organization whose stated goal is to "educate policymakers on the role of venture in bringing promising ideas to patients in need."

The group is run out of the Washington-based lobbying firm, Prism Group, and the group's advisory council includes Bart Forsyth, a deputy vice president of federal advocacy for PhRMA.

Members of the group have already met with top Washington lawmakers about the Pelosi bill, including staff for House Speaker Nancy Pelosi, according to multiple members of the group.