

“WHAT THEY ARE SAYING” ABOUT H.R.3 & FOREIGN REFERENCE PRICING

JANUARY 2021 – APRIL 2021



HEALTH EQUITY COLLABORATIVE

Health Equity Collaborative & 33 other groups: “As the Biden Administration and Congress lead pandemic relief efforts it is pivotal lawmakers foster an innovation ecosystem capable of combating the challenges ahead. Additionally, there is a great need for research and development of treatments directed towards sickle cell disease, Alzheimer’s, asthma, and other diseases greatly impacting communities of color and other diverse communities. Infrastructure must be put in place to ensure all Americans have access to the latest advancements in healthcare technology. We urge lawmakers and private industry actors to remain committed in their pursuit for new treatments as more innovation and further medical breakthroughs are needed.” – 4/7/2021 ([link](#))



Partnership to Improve Patient Care (PIPC) & 87 other organizations: “It is critical to remain committed to our shared goal of preventing discrimination against people with disabilities and chronic conditions by condemning policies that would rely on the Quality-Adjusted Life Year (QALY) or similar average metrics that fail to account for those who are not average. There is a long history of strong, bi-partisan opposition to QALY-based policies in Medicare and Medicaid that could hurt our most vulnerable populations. Therefore, we strongly urge policymakers to reject potentially catastrophic legislation and policies that reference QALYs and similar metrics, which reinforce health inequities, devalue people with disabilities and chronic conditions, older adults and communities of color. The National Council on Disability explicitly warned that policies that would reference QALYs, directly or by referencing foreign prices for medicines, could result in a loss of access to care for people with disabilities.” – 4/14/2021 ([link](#))



60 Plus Association: “Recently, a bill that would peg American drug prices to those paid abroad — known as H.R. 3 — has been gaining popularity. But reforms like these wouldn’t benefit patients. On the contrary, by importing and imposing foreign price controls, H.R. 3 would divert money away from research, dramatically slowing the pace of innovation. That, in effect, would make it challenging for firms to respond to the next crisis — which inevitably will arise. Seniors are often the principal beneficiaries of medical innovation, from cancer treatments and diabetes management to vaccines for shingles, pneumococcal illnesses, and now COVID-19. Standing in the way of such progress pits lawmakers against the solution to today’s — and tomorrow’s — gravest public health threats.” – 3/25/2021 ([link](#))



Alliance for Aging Research: “We are pleased to join with more than 70 organizations against the use of the Quality-Adjusted Life Year (QALY) policies in Medicare and Medicaid that would restrict treatment access for older adults, people with disabilities, and communities of color. A recent report from the Congressional Budget Office made it clear that H.R. 3’s international reference pricing provision uses QALYs, and justifies its potentially discriminatory approach because other countries rely on it. More than a year into the worst pandemic the U.S. has experienced in a century, with 80 percent of COVID-19 deaths among those ages 65 and older, it’s shocking that some in Congress are doubling down on healthcare rationing for older adults.” – 4/14/2021 ([link](#)) *Quote included in PIPC press release



American Association of People with Disabilities (AAPD): “It is disappointing that we still have to fight policies that discriminate by referencing discriminatory metrics to value health care, whether directly or indirectly from foreign governments. This is not a new debate. The U.S. established that QALYs discriminate by devaluing disabled lives as far back as 1992 when HHS rejected their use in Medicaid due to violating the Americans with Disabilities Act (ADA). The Affordable Care Act (ACA) banned their use in Medicare in 2010. We don’t need more ableist policies in a pandemic.” – 4/14/2021 ([link](#))



Americans for Tax Reform: “In 2019, as Democrats were working to pass H.R. 3, ATR led a coalition letter signed by 71 groups and activists urging Members of Congress to reject the proposal. The letter was signed by federal and state organizations including the American Conservative Union, National Taxpayers Union, Heritage Action for America, Club for Growth, Council for Citizens Against Government Waste, FreedomWorks, Taxpayers Protection Alliance, Small Business Entrepreneurship Council, and the Competitive Enterprise Institute. H.R. 3 would impose foreign price controls through a system of international reference pricing. This would set prices based on the prices of foreign countries which utilize socialist price controls. As the letter notes, these price controls will reduce access to new medicines.” – 4/7/2021 ([link](#))



Autistic Self Advocacy Network: “We agree with the National Council on Disability that the pandemic has provided some harsh lessons, particularly about the implicit and explicit bias against persons with disabilities in healthcare. In this moment, we should be debating how to strengthen federal nondiscrimination laws, not undermining them by reference to discriminatory metrics such as QALYs.” – 4/14/2021 ([link](#)) **Quote included in AAPD press release*



Black, Gifted & Whole: “Numerous policies — from strong patent protections to a welcoming immigration system — help ensure that the world's smartest scientists can pursue cutting-edge research here. Many Americans, especially those with HIV, are alive today thanks to this innovation. Unfortunately, these same Americans have the most to lose if a well-intentioned but misguided drug-pricing bill becomes law. The proposal — introduced in 2019 as the Lower Drug Costs Now Act, or H.R. 3, and set to return within weeks — would set drug prices, pegging Medicare payments to the average price in six other developed countries. In these ‘reference’ countries, though, government officials make coverage and payment decisions based on heartless and antiquated cost-benefit analyses, called ‘quality-adjusted life-years.’ These ‘QALYs’ are inherently discriminatory, especially against those living with disabilities or chronic diseases, as they put a dollar figure on “perfect” health. So even when a treatment works exactly as it's supposed to — and brings a patient back to his or her full life — those with underlying health conditions, like HIV, are deemed to never be ‘worth’ as much to government regulators. Let's be clear. Such analyses are cruel. And by importing other nations' drug prices, we'd be importing such analyses here.” – 4/13/2021 ([link](#))



CancerCare: “The Medicare program has long barred the use of QALY’s in reimbursement and coverage decisions, recognizing that this metric discriminates against people with cancer and other serious health conditions. It’s frustrating that state and federal policymakers continue to debate their use in public programs. With this Open Letter, organizations representing millions of patients and people with disabilities demonstrate a united front against state and federal policies like H.R. 3 that overtly use the QALY metric or import it through reference pricing.” – 4/14/2021 ([link](#)) **Quote included in PIPC press release*



Consumer Action for a Strong Economy (CASE): “Price controls, especially in the form of an international price index model, could skew market forces and dissuade innovators from continuing their ongoing production or research and development efforts. Moreover, Medicare negotiation would lead the federal government to penalize companies that could not meet certain price thresholds, thereby reducing available medicines for seniors and limiting access for all patients...[The COVID-19] crisis has reminded us of why our system is the best in the world for patients. We cannot forget these lessons if we want to be ready for the next one. Policymakers must learn from this experience, defend against policies that would erode our system and apply the same sound principles of transparency and free enterprise to health policy moving forward.” – 4/16/2021 ([link](#))



Citizens Against Government Waste (CAGW): “A March 2019 Galen Institute paper by Doug Badger, ‘Examination of International Drug Pricing Policies in Selected Countries Shows Prevalent Government Control over Pricing and Restrictions on Access,’ demonstrated that Americans have access to 89 percent of innovative drugs, including 96 percent of new cancer drugs, but in France, Germany, and Switzerland, citizens only have access to 48 percent, 62 percent, and 48 percent of new drugs, and 66 percent, 73 percent, and 54 percent of new cancer drugs respectively. Citizens Against Government Waste (CAGW) agrees with American Enterprise Institute Resident Fellow Alex Brill, who testified that the best way to lower costs is to create an environment that allows more competition between generic and brand name drugs and brand to brand, or ‘me too’ drugs.” – 3/31/2021 ([link](#))



Council for Affordable Health Coverage (CAHC): “H.R. 3 is a bad bill. While it would reduce Medicare spending on prescription drugs by \$456 billion over ten years, those savings would come at a steep price. Indeed, the Senate nixed the bill in 2019 because it will reduce patient access to lifesaving treatments and stifle innovation...According to the Congressional Budget Office, the bill would lead to 38 fewer new drugs coming to market over the next two decades. Patients hoping to see cures for cancer or Alzheimer’s disease in their lifetimes will be out of luck. The consideration of this measure is shocking considering the COVID-19 pandemic is still raging. We stand at a point in human history where all of our creativity, ingenuity, and innovation has been brought to bear on a virus that has locked us inside, in many cases alone and without hope.” – 4/7/2021 ([link](#))



Cystic Fibrosis Research Institute: “Thanks to novel treatments, many cystic fibrosis patients have a renewed lease on life. Access to new treatments and the next generation of therapies to follow is essential. I am relieved to see so many groups come together to reject the kinds of policies we saw in H.R. 3 in 2019 that would reference specific foreign countries in which cystic fibrosis patients have to fight tooth and nail for access to life-saving drugs. I urge policymakers to prioritize our most vulnerable and find affordability solutions that help instead of harm patients.” – 4/14/2021 ([link](#)) *Quote included in PIPC press release



Galen Institute: “Democrats in Congress want to push the U.S. down the same path, putting European-style price controls on U.S. pharmaceuticals, drying up the research capacity that allowed the U.S. to be the world leader in vaccine development. Democrats intend to push their drug price-control bill—H.R. 3—‘through the budget reconciliation process, which allows the Senate to pass legislation with only a simple majority. And the reform can’t be filibustered. So, the chances that H.R. 3 becomes law have never been greater,’ [Joel] White reports. ‘Europe’s catastrophic vaccine rollout has shown the high cost, in money and lives, of price controls.

Importing those policies here would have disastrous consequences for American patients and end up costing us all more in the long run.” – 4/16/2021 ([link](#))



Genetic Alliance: “I have fought for more than 25 years for robust high-quality research and ultimately treatments for people affected by genetic disorders. Due to years of advocacy and research we are finally seeing efficacious gene therapies become available to patients, and it is imperative that those who need these treatments do not have barriers to them. I am highly concerned that short-sighted drug pricing policies that rely on the QALY will disproportionately harm patients by limiting their access to novel therapies, as we frequently see abroad in countries like the U.K. and Canada that rely on the QALY.” – 4/14/2021 ([link](#)) *Quote included in PIPC press release



Incubate Coalition: “Congress must reject price controls in any form, including foreign reference pricing. Few policies can unite the entire early-stage ecosystem. However, our position on recent reference pricing proposals is unmistakable: these efforts will discourage critical private investment, jeopardizing our ability to bring new medicines to the patients of tomorrow. The current system of research and development saves lives, most notably through the recent mRNA COVID-19 vaccine. Proposals to install price controls via reference pricing, such as the Elijah E. Cummings Lower Drug Costs Now Act (H.R. 3 116th Congress), the Most Favored Nation Executive Order, and the related International Pricing Index model, are examples that should be thoroughly rejected on a bipartisan basis.” – 3/24/2021 ([link](#))



International Association of Hepatitis Task Forces: “On behalf of the millions of people worldwide living with viral hepatitis, we are extremely concerned with some of the recent drug pricing proposals that would fundamentally change how Medicare is structured and create new obstacles for patient care. Legislation like HR3, which passed the House in 2019, takes direct aim at Medicare’s private marketplace and does little to address affordability of medications for patients living with viral hepatitis. Allowing government price setting will limit access to the innovation treatments and cures people living with viral hepatitis rely on.” – 4/8/2021 ([link](#))



National Taxpayers Union: “Speaker Pelosi is preparing to reintroduce H.R. 3, a sweeping prescription drug bill that previously included foreign drug price controls. The Speaker may call her plan an ‘international price index,’ but it is a thinly veiled price-fixing scheme. These proposals would enable the government to set a maximum drug price based on what other countries with socialist health care systems pay, and would punish companies that fail to accept the government-set price with up to 95-percent excise taxes. Because of this, Americans will have access to fewer life-saving medications. After all, price controls undermine the ability to innovate. Taxpayers, who are counting on drug discoveries to save money on hospital stays and surgeries over the long run, lose out as well. Our nation’s leading economists have long seen the danger of these proposals and spoken out against them. In fact, more than 150 economists penned an open letter to policymakers, calling on them to reject dangerous foreign price controls.” – 4/15/2021 ([link](#))



Not Dead Yet: “This open letter is an important statement to demonstrate we are a united voice against discrimination in health care. Were disability rights laws being appropriately enforced, we would not have to publicly state that discriminatory “quality of life” measures should not be referenced or imported from other countries to make coverage and reimbursement decisions in health care.” – 4/14/2021 ([link](#)) *Quote included in AAPD press release

Pacific Research Institute: “A slate of proposals — from the across-the-board price controls contained in H.R. 3 to the perennial calls to let Medicare bureaucrats set prices — would slash biotech companies’ revenues and limit their potential profits. Investors’ capital would flow out of the medical research sector into other industries that offer less risk and better returns. That’s exactly what has happened in Europe over the past few decades. In the 1970s, European scientists developed more than half of all drugs worldwide. But as continental politicians ramped up price controls, scientific talent and investor capital migrated to America. Now, U.S. labs develop over half of all drugs. Just imagine how much worse the COVID-19 situation would be right now if America didn’t have such an innovative biotech sector...Imposing price controls on drugs would deter the massive private-sector research investments that delivered multiple lifesaving COVID-19 vaccines — as well as dozens of other novel drugs developed here in America each year.” – 3/19/2021 ([link](#))