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The Congressional Budget Office just released an analysis of House Democrats' effort to impose price controls on prescription drugs, H.R. 3 — the Elijah E. Cummings Lower Drug Costs Now Act. The CBO's chief finding is grim.

By drastically limiting pharmaceutical revenue, H.R. 3 would starve scientists of the funding they need to research and develop new medicines. The result is that dozens of treatments and cures — therapies that could save and enhance people's lives — would never be invented.

In other words, Democrats are asking American patients to accept a slowdown in medical innovation so the government can save a few dollars on drugs. That's the kind of bargain that has led to rationing, shortages, and immense human suffering in Canada, the United Kingdom, and other countries with socialized health care.

When Americans understand what this plan would mean for them and their health care, they will wholeheartedly reject it.

H.R. 3 would fulfill one of the left's long-coveted policy goals — empowering Medicare to negotiate drug prices directly with pharmaceutical companies.

What H.R. 3 envisions, however, isn't a "negotiation." It's a shakedown. The "negotiated" price for certain brand-name drugs would not be allowed to exceed 120% of the average price for those drugs in six other countries with government-dominated health sectors, including Canada and the United Kingdom.

If average pricing information isn't available, then the feds would set the price they'd pay at 85% of the average manufacturer price, which is what they charge wholesalers and pharmacists, after taking discounts into effect.

Any drug company that refused to accept the government's proposed prices would be subject to an excise tax of up to 95%. In effect, the government would confiscate whatever money the company made from selling the drug in question.

Those firms that submit to the feds' demands would inevitably end up settling for below-market prices for medicines that generally take billions of dollars and over a decade of

work to create.

Either way, H.R. 3 would cause drug industry revenues to shrink dramatically. According to the CBO analysis, the bill's price controls would reduce returns for the top fifth of Medicare Part D drugs by 15% to 25%.

If returns on the most successful drugs plummet, new medicines will be much rarer in the years ahead.

Investors will take their capital elsewhere if they see little prospect of earning an outsized return funding drug development. Drug firms will become less ambitious in their research by necessity.

By the CBO's estimate, the country can expect to see 59 fewer new treatments and cures over the next 30 years if something like H.R. 3 becomes law.

That estimate may be low. The CBO assumes small firms will keep at their risky research uninterrupted, even with the prospect of price controls on their eventual inventions ahead. That's unlikely.

Small biotech firms are responsible for the lion's share of early-stage research. They're the companies that take the biggest risks on untested ideas. And they're where most of the biggest medical breakthroughs originate.

But investing in a start-up is risky. The cost of capital for these firms is already higher than for more established companies. If H.R. 3's price controls eliminate the possibility of high rewards for funding high-risk research, then investors will close their wallets to even the most innovative small firms.

Consider that it took 30 years for research into mRNA to yield workable, effective, and commercially viable treatments for disease — the COVID-19 vaccines developed by Moderna and Pfizer-BioNTech.

Scientists struggled for years to perfect the technology. Investors in Moderna didn't see a profit until earlier this year, 11 years after its founding.

H.R. 3 would make success stories like these much rarer. Indeed, a recent analysis by the consulting firm Vital Transformations projects that H.R.3 would result in 61 fewer new medicines in its first decade alone.

Millions of patients are waiting on effective therapies for any number of illnesses, from cancer to Alzheimer's and countless rare diseases. Under H.R. 3, their wait would grow even longer.

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