

Democratic drug pricing bill is a house of cards

by [Sally Pipes](#) | May 02, 2021 09:30 AM

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House Democrats just introduced H.R. 3, a bill that would allow the government to cap drug prices based on what they cost in six other developed nations.

President [Joe Biden](#) is sympathetic to the idea. In [his speech](#) to Congress this week, he called for giving the federal government the power to negotiate drug prices under Medicare Part D directly with pharmaceutical manufacturers. Both approaches are tantamount to imposing price controls on prescription drugs. In so doing, they would [hamper medical research](#). That's bad news for countless patients suffering from diseases without effective treatments.

In an attempt to shield themselves from accusations of gutting medical research, the bill's proponents have [included a provision](#) that would invest money "in the search for new breakthrough treatments and cures at the National Institutes of Health."

But government entities like the NIH don't develop drugs. The private sector does. Between 2008 and 2017, the Food and Drug Administration approved nearly 250 new drugs. Only one-quarter of those medications benefited from any government dollars during the late stages of development, [according to a 2019 study](#).

Additionally, a large chunk of federal health research is wasted on pet projects that do little to improve human health. For example, at the same time the NIH was tasked with spearheading an Ebola vaccine, the [agency spent \\$3.2 million](#) forcing monkeys to drink excessive amounts of alcohol to "better understand disease processes associated with alcoholism."

And as the Cato Institute's Michael Tanner has [pointed out](#), the agency has devoted \$688,000 to examine why people like reruns of *Seinfeld*. Not surprisingly, the NIH never did manage to

there any end
to it? 

The government is unlikely to develop the next lifesaving treatment. That doesn't seem to matter to Democratic lawmakers. Patients will be the ones who pay the price.

Sally C. Pipes is president, CEO, and Thomas W. Smith fellow in Health Care Policy at the Pacific Research Institute. Her latest book is [False Premise, False Promise: The Disastrous Reality of Medicare for All](#) (Encounter 2020). Follow her on Twitter [@sallypipes](#).