

Coalition Letter In Opposition To Price-Setting Schemes

Carrie Lukas | May 14, 2021

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Dear Members of Congress:

We, the members of the Coalition Against Socialized Medicine (CASM), a coalition of leading conservative and free-market organizations representing millions of taxpayers, patients, and voters, urge members of Congress to oppose price-setting schemes such as those found in H.R. 3, a reread of the so-called “Lower Drug Costs Now Act” from the previous Congress. Such dangerous, far-left drug pricing schemes would ultimately lead to a socialist system that includes access restrictions and a flight of biopharmaceutical innovation from the U.S., depriving America’s patients of the life-saving treatments and cures of tomorrow.

Price-setting schemes like H.R.3 would ultimately allow bureaucrats in foreign countries to determine what Americans pay for and how they access their medicines. A look at the health care systems in foreign countries with price-setting schemes reveals their dire, real-world impacts on patients – and what potentially awaits American patients if such far-left, socialist-style health care proposals are adopted here.

For example, of the 300 new treatments launched globally in the past eight years, 90 percent were available in the U.S. However, in the countries whose price-setting policies the far-left proponents of legislation like H.R. 3 would have us adopt, the resulting access restrictions offer a chilling warning: far from the 90 percent of new treatments available to Americans, this number dropped by a third in the U.K. to 60 percent, and it was slashed to almost half in Japan (50 percent), and less than half in Canada (44 percent).

An analysis of the original H.R. 3 by the Congressional Budget Office (CBO) and the Joint Committee on Taxation acknowledged that fewer new drugs would come to market as a result. They wrote, “potential global revenues for a new drug over its lifetime would decline as a result of enactment, and in some cases the prospect of lower revenues would make investments in research and development less attractive to pharmaceutical companies. The result would be fewer new drug products developed and coming to market.” In fact, the White House’s Council of Economic Advisers (CEA) put this loss of innovation closer to 100 fewer new drugs in the next decade. The CBO and CEA analyses speak for themselves and may even underestimate the true impact to innovation.

Legislation like H.R.3 would represent a dramatic turn away from American leadership in health care and innovation and strengthen the steadily tightening grip of socialized medicine in our country. Equally egregious, any false “savings” realized through socialist price-setting could be diverted away from patients and into the coffers of government to pay for unrelated programs. Taxpayers and patients should and would be outraged.

The health care available to Americans is second to none, as is the innovation driven by our marketbased health care system – the very innovation that has delivered two COVID-19 vaccines in under a year. Where some Americans do struggle to afford their prescriptions, our organizations have supported a number of taxpayer- and market-oriented solutions that would help those in need while retaining the robust incentives that make the U.S. biopharmaceutical sector second to none. Legislation like H.R. 3, on the other hand, would degrade the quality of and access to health care, and endanger the very life-saving innovation that is currently offering the world hope of deliverance from the pandemic.

We the undersigned, along with millions of citizens across our country, are counting on you to stop socialized health care schemes such as H.R. 3 and avert this looming disaster for American taxpayers, patients, and innovation before it is too late.

Sincerely,

American Commitment

The American Conservative Union

Americans for a Balanced Budget

Center for Freedom and Prosperity

Center for Innovation and Free Enterprise

Center for a Free Economy

Center for Individual Freedom

The Club for Growth

Council for Citizens Against Government Waste

Committee to Unleash Prosperity

Conservatives for Property Rights

Consumer Action for a Strong Economy

FreedomWorks

Frontiers of Freedom

Heritage Action for America

Hispanic Leadership Fund

Independent Women's Forum

Independent Women's Voice

Institute for Liberty

Less Government

National Taxpayers Union

Small Business & Entrepreneurship Council

Taxpayers Protection Alliance

Trade Alliance to Promote Prosperity