

# PATIENTS FOR **AFFORDABLE DRUGS NOW**™

## **Patients For Affordable Drugs Now Enthusiastically Supports H.R. 3, The Elijah E. Cummings Lower Drug Costs Now Act**

**To:** Members of the House Energy and Commerce Subcommittee on Health

**From:** Patients For Affordable Drugs Now

On behalf of patients across the country struggling to afford their prescription drugs, Patients For Affordable Drugs Now enthusiastically endorses H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act.

Patients For Affordable Drugs Now is the only national patient organization focused exclusively on policies to lower prescription drug prices. We are bipartisan and independent, and we don't accept funding from any organizations that profit from the development or distribution of prescription drugs.

Too many Americans are struggling to pay [almost four times](#) what patients in other wealthy nations pay for the exact same drugs. A survey found that nearly [40 percent](#) of Americans have trouble affording their prescription drugs and that more than [20 percent](#) have had to take on debt or declare bankruptcy due to medication prices in the past year.

High drug prices disproportionately harm people of color, who are more likely than white Americans to live with [chronic conditions](#) that require prescription drugs and to lack [health insurance](#). This exposes them to high list prices, which H.R. 3 would bring down. Without Medicare negotiation, more than [1.1 million Medicare patients](#) could die over the next decade because they cannot afford to take their medications.

H.R. 3 is the comprehensive package of reforms that will save lives and lower prices of prescription drugs, while ensuring continued innovation and new drug development. It will provide relief to Americans by allowing Medicare to negotiate directly with drug companies for lower prices and stop pharmaceutical price gouging by limiting price increases to the rate of inflation. The legislation would bring relief not just to Medicare beneficiaries, but to all Americans regardless of the type of insurance they have, by extending negotiated prices to the private sector.

The pharmaceutical lobby wants Congress and patients alike to believe we cannot have both lower drug prices and valuable drug innovation. Patients know that's not true.

Biopharma enjoys profit margins that are almost [three times the average of the S&P 500](#). Research [shows](#) that brand-name drug companies could absorb a reduction of up to \$1 trillion in revenue over 10 years and still be the most profitable industry in the United States, and therefore more than able to attract investment for R&D.

The most innovative, high value drugs are the result of early funding from the National Institutes of Health (NIH) and other government agencies that invest when the risk is highest. It's true for all drugs, but especially for COVID-19 vaccines. A [new study](#) reports: "The unprecedented development of COVID-19 vaccines less than a year after discovery of this virus was enabled by more than \$17 billion of research on vaccine technologies funded by NIH *prior to the pandemic*." When the pandemic hit, taxpayers again mobilized resources — [spending](#) over \$18 billion to advance R&D on COVID-19 vaccines.

The Congressional Budget Office [predicts](#) that H.R. 3 would lead to a decrease of only 8 out of 300 new drugs coming to market over 10 years. But only [10 to 15 percent](#) of all drugs that come to market are actually therapeutic advances, meaning the impact of H.R. 3 on development of valuable new drugs would be minimal. Between 2005 and 2015, 78 percent of drug patents [were related](#) to drugs already on the market. Instead of investing in R&D that could lead to new breakthrough therapies, drug companies spend resources obtaining patents on old drugs — not to improve user experience — but to extend patent protection, prolong monopoly pricing periods, and keep generic competitors off the market.

So if we understand that new drugs are not the same as new cures, a small reduction in new drugs doesn't pose a threat to real innovation. Harvard economist Richard Frank [summed](#) it up this way: "If drug companies claim lowering drug prices means somewhat fewer new drug launches, remember that there are numerous new products sold every year whose elimination would have little to no impact on the health of Americans."

H.R. 3 actually *increases* investment in public-health-driven innovation by directing some of the over [\\$450 billion](#) in savings to the NIH for investment in research and development.

It is no wonder that this legislation has deep bipartisan support with [93 percent](#) of Americans supporting the policy — including overwhelming majorities from both parties.

Now is the moment for real drug pricing reform. It is predicted that the passage of H.R. 3 could lead to [94,000](#) fewer deaths *every year*. Congress has a chance to deliver on its promises to lower drug prices and save the lives of hundreds of thousands of Americans by passing H.R. 3.

On behalf of patients, who overwhelmingly support Medicare negotiation, we are grateful to the leadership and members of the House of Representatives for this critical legislation. With the support of President Biden, this is the time to get it done.