

December 9, 2019

RE: H.R. 3, the so-called “Lower Drug Costs Now Act of 2019”

Dear Member of Congress:

This week, the House is expected to vote on H.R. 3, the so-called “Lower Drug Costs Now Act of 2019.”

The National Right to Life Committee (NRLC) urges you to oppose H.R. 3 because, if enacted, it would prevent people from accessing current life-saving medication and prevent new innovative medications from coming to market. *NRLC intends to include the roll call on H.R. 3 in its scorecard of key pro-life votes of the 116th Congress.*

*Since its inception, NRLC has been equally concerned with protecting older people and people with disabilities from euthanasia as with protecting the unborn from abortion. We have recognized that involuntary denial of lifesaving medical treatment is a form of involuntary euthanasia.*

*In 1994 we opposed the Clinton Health Care Plan’s proposed insurance premium price controls because they would have forced rationing. In 2003, NRLC scored a vote in favor of H.R. 1 (the Medicare Prescription Drug, Improvement, and Modernization Act of 2003) because, in part, it included the lifesaving new Medicare Part D prescription drug benefit. In 2009-10 we fought against the inclusion of numerous provisions in the Obama health care plan, and worked to see its most egregious rationing provision, the Independent Payment Advisory Board (IPAB) repealed in 2018. IPAB’s sweeping powers could have limited not only Medicare spending, but also health care paid for with nongovernmental dollars.*

Now, NRLC is opposing H.R. 3 because it would effectively impose rationing of lifesaving drugs through drug price controls, not only in Medicare, but in the entire U.S. health market.

H.R. 3 would instruct the Secretary of Health and Human Services to negotiate prices for up to 250 drugs per year. These drugs would represent more than half of all Medicare Part D spending.

The prices resulting from these “negotiations” would then be imposed on the entire U.S. healthcare market. Manufacturers that attempt to deviate from these fixed prices would face massive civil monetary penalties. A drug-maker that declined to negotiate the price of any of its products would incur an excise tax equal to 95% of the revenue from that drug in the preceding year.

Those who say drugs are overpriced often compare the high price of an innovative, breakthrough drug with the low cost of its production. They conclude that the patient is being “gouged” to

produce “windfall” profits. This perspective fails to recognize not only the huge development costs for that drug, but the high odds against any given potential drug ever getting to the market and then actually making money. Only the possibility of an initial high rate of return on the few new drugs that actually make it to market can make possible the necessary investment in research and development of new lifesaving drugs.

Under current law, prices are negotiated by competing private insurers --not simply accepted at a level set by the drug companies. However, there are checks and balances on these negotiations by private parties that help prevent them from driving prices so low as to result in rationing and harm to new drug development — checks and balances not present when the government steps in to set prices. Under new government price setting, H.R. 3 would drive most companies out of the process of innovation, if not out of business altogether.

A new analysis of H.R. 3 by the Council of Economic Advisers (CEA) estimates that, if passed, the legislation could lead to a loss of as many as 100 new drugs in the U.S. over the next decade. The CEA estimates that changes in the law made by H.R. 3 would reduce the life expectancy of Americans by approximately four months. In addition, the loss of new drugs entering the marketplace also means that health outcomes for certain conditions could increase treatment costs—estimated to be as high as \$1 trillion a year over the next decade.

While H.R. 3 might save money, it will do so at an astonishing cost to innovation, access and lives — not only for those in Medicare, but for all Americans.

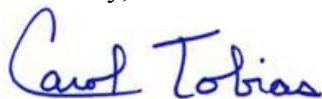
Understandably, people focus on the large amounts they are spending for new drugs. However, it is thanks to the abundance of more effective cutting-edge drugs and access to them that more Americans are able to enjoy a longer and enhanced quality of life.

Lowering the price of prescription drugs is a major concern for Americans, but H.R. 3 is the wrong approach to address this problem. Congress should not set up price controls that will prevent the development of new life-saving drugs but H.R. 3 would do just that.

NRLC urges you to oppose H.R. 3 because, if enacted, it would prevent people from accessing current life-saving medication and prevent new innovative medications from coming to market.

Should you have any questions, please contact us at (202) 378-8863, or via e-mail at [jpopik@nrlc.org](mailto:jpopik@nrlc.org). Thank you for your consideration of NRLC's position on this important legislation.

Sincerely,



Carol Tobias  
President



David N. O'Steen, Ph.D.  
Executive Director



Jennifer Popik, J.D.  
Legislative Director