



July 21, 2022

Dear Senator,

Consumer Action for a Strong Economy (CASE) is the nation's pre-eminent free-market consumer advocacy organization, championing policies that promote an economic environment of innovation, competition, consumer choice, fiscal responsibility, and reasonable consumer protections. Through these time-tested principles, CASE aims to create more prosperity and opportunity for every American.

CASE writes today on behalf of millions of U.S. consumers to oppose the recent healthcare proposal that would allow the government to set prices on certain prescription drugs and implement a 95% tax on drug manufacturers that refuse to comply with the "negotiated" price. Including this dangerous provision in a reconciliation package would limit patient accessibility, increase inflation, and reduce research and development (R&D).

The drug pricing deal would do nothing to address the concerns of inflation and high drug costs, and in turn, lead to creating devastating consequences for patients and drug manufacturers. In fact, the Bureau of Labor Statistics (BLS) most recent study lists prescription drug prices at a 2.5% increase in the last year, making it the smallest sector. Inflation will only grow under this new proposal due to the increase in government spending surrounding permanent Affordable Care Act (ACA) subsidies.

When looking at nations around the world, Canada is a prime example of why price controls are a terrible idea, as they have proven to harm accessibility to lifesaving treatments. During the beginning of the COVID-19 pandemic, their vaccination rates were far lower than the U.S. and we even issued a travel warning because of the country's inefficient response to the pandemic. The U.S. should not make these same mistakes and instead encourage private-sector innovation, which brought vaccines to life.

CASE urges you to stand firmly against this detrimental proposal and oppose any legislation that includes drug price controls to protect patients and our healthcare system. We thank you for your time and effort in acknowledging these issues and appreciate your commitment to the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerard Scimeca".

Gerard Scimeca Chairman, CASE

Consumer Action for a Strong Economy

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