



Dear Members of the New York Congressional Delegation,

The recently reintroduced H.R.3 threatens access to medication for all patients, particularly the elderly, chronically ill and disabled. If signed into law, this legislation would mandate government price-setting based on prices in other countries. Countries with similar systems have fewer treatment options for patients. While nearly 90% of new medicines launched from 2011 to 2018 are available in the U.S., just 59% are available in the U.K., 50% in France, and 36% in Australia.

Requiring government price-setting undermines incentives that support investment into complex disease research. This would deliver a crushing blow to the medical innovation we enjoy for unique diseases such as Alzheimers, ALS, and Parkinsons. H.R.3 is projected to cost the biopharmaceutical industry as much as one trillion dollars over ten years. Every one or two billion dollar reduction in possible investment leads to the development of one less new medicine per year. It is especially important during the ongoing public health crisis that healthcare policy does not inhibit medical innovation.

Additionally, H.R.3 would allow the government to institute inflation penalties in the Part B and Part D programs, retrospective to 2016. The inflation penalty in the Part D program is duplicative of privately negotiated discounts. In the commercial market and Part D program today, drug manufacturers, health plans, and PBMs often negotiate price protection rebates. This increases rebates paid to the health plan or PBM if a drug's list price increases more than a specified amount. The inflation penalties proposed in H.R. 3 could crowd out privately negotiated rebates. Congress should strengthen Part D coverage by lowering coinsurance earlier in the benefit and ensuring that the majority of privately negotiated rebates are passed back to patients when they fill their prescriptions.

Finally, H.R.3 does not fully address the root cause of patient affordability. Instead of completely upending our health care system, Congress should focus on reforms that do not obstruct patient care. It is crucial that representatives fight for New York patient and oppose H.R. 3.

Signed,

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