



December 10, 2019

NTU urges all Representatives to vote “NO” on H.R. 3, the Lower Drug Costs Now Act of 2019. This legislation could lead to 100 fewer treatments and cures over the next decade, harming patients first and foremost, and would punish innovative companies with compulsory government negotiation and onerous taxes. Congress should instead seek to lower drug costs by reducing numerous barriers to generic and biosimilar competition.

When Speaker Nancy Pelosi first introduced H.R. 3, NTU President Pete Sepp said the legislation “combines all the worst elements of government-first approaches to prescription drugs, including foreign price controls, inflation caps, and federally-mandated price negotiations.” That has not changed since the September rollout of the bill. If anything, [demands from some](#) threaten to make the bill an even heavier-handed, government-first intervention into a sector that would deliver savings to patients with more competition, not more regulation.

The stakes for this vote were recently made clear by a Council of Economic Advisors (CEA) [report](#) on this legislation. They estimated “that H.R. 3 could result in as many as 100 fewer drugs entering the market over the next decade.” Far from the eight to 15 fewer drugs [estimated](#) by the Congressional Budget Office (CBO), the CEA report makes clear that provisions like mandatory government negotiation and the threat of a 95-percent gross sales tax would destroy the market incentives to develop new cures for debilitating diseases.

H.R. 3 would also represent unprecedented government intrusion in the private sector by requiring biopharmaceutical manufacturers to offer the government-set drug price to private insurers and employers. While this provision may be cloaked under the guise of fairness to both public and private payers, what it would amount to in practice is the application of an incorrect, inefficient price on a drug or biologic to anyone that is paying for it. This will accelerate the devastating effects H.R. 3 would have on patients and taxpayers by running primarily small and mid-sized manufacturers out of business and crushing the pipeline of new treatments coming to market.

Fortunately, Congress does not have to settle for H.R. 3. Legislation like the Reciprocity Ensures Streamlined Use of Lifesaving Treatments (RESULT) Act ([S. 2161](#)) and proposals like the Medicare Part D [redesign](#) suggested by American Action Forum (AAF) would deliver savings to patients while strengthening a robust and competitive market for prescription drugs and biologics. Congress should reject H.R. 3, and pursue these proposals in a judicious manner.

Roll call votes on H.R. 3 will be heavily weighted in NTU’s annual Rating of Congress and a “NO” vote will be considered the pro-taxpayer position.

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