

July 29, 2021

Dear Members of the Senate:

We, the members of the Coalition Against Socialized Medicine (CASM), a coalition of leading conservative and free-market organizations representing millions of taxpayers, patients, and voters, write today united in opposition to any and all efforts to impose government price controls on prescription medicines.

The latest iteration among these efforts is detailed in a <u>set of principles for drug pricing reform</u> circulated by Senate Finance Committee Chairman Ron Wyden (D-OR). Under Senator Wyden's plan, the federal government would "negotiate" drug prices with pharmaceutical manufacturers.

Such "negotiation" would be at best useless—and at worst dangerous. An honest negotiation would accomplish nothing, as then-CBO director Doug Elmendorf explained in 2009 when he said "granting the Secretary of HHS additional authority to negotiate for lower drug prices would have little, if any, effect on prices for the same reason that my predecessors have explained, which is that private drug plans are already negotiating drug prices."

The danger is that it would quickly devolve into a price control scheme that would replace a private sector, competitive, and market-based system—which has constrained drug costs for taxpayers and seniors for nearly two decades—with a top-down, overreaching government approach. There can be no true "negotiation" without competition, particularly when one side of the table is held hostage by the heavy hand of government.

Furthermore, this misguided policy is not supported by the very Americans at the heart of our nation's economic recovery: small businesses. According to a recent <u>survey</u> conducted by Morning Consult and the Small Business and Entrepreneurship Council, small businesses are least supportive of allowing the federal government to determine the price of prescription drugs or which prescription drugs are covered in Medicare, among all of the potential policies for lawmakers to address healthcare costs.

This latest misguided price control scheme would curtail innovation and ultimately lead to government rationing of medicines and services for patients. We the undersigned, along with millions of citizens across our country, are counting on you to stop this dangerous proposal before it is too late.

Sincerely,





THE AMERICAN CONSERVATIVE UNION

























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