



September 24, 2024

**Via electronic delivery**

The Honorable Bill Cassidy  
Ranking Member  
Senate Committee on Health, Education, Labor and Pensions  
428 Senate Dirksen Office Building  
Washington, DC, 20510

Dear Ranking Member Cassidy,

On behalf of the members of the Coalition Against Socialized Medicine (CASM), I am writing today to urge you take as strong a stand as possible against price-setting policies at your committee's September 24, 2024 hearing, "[Why Is Novo Nordisk Charging Americans with Diabetes and Obesity Outrageously High Prices for Ozempic and Wegovy?](#)"

CASM is a broad-based coalition comprised organizations looking for free-market and limited-government solutions to public policy problems. While we are unsurprised any time Senator Sanders pushes for greater government involvement in *any* aspect of the American marketplace, we remain deeply troubled any time one of his colleagues might go along with the impulse to impose price controls on drugs. Such an approach will have a devastating impact on our nation's ability to innovate and remain globally competitive.

At this hearing, lawmakers must reject any suggestions that a federally mandated price for Ozempic and Wegovy (or any drug) is an acceptable solution to high drug costs.

Innovation, whether it be for pharmaceuticals or any beneficial invention, requires extensive research and development (R&D), hugely costly in both time and resources. This is only made possible through financial investment, wherein some entity has to take the risk that these massive expenditures will bear fruit.

This is especially true in drug innovation, where, because human health is very much at stake, the creation of new lifesaving treatments requires an increased level of screening, testing, and approval. Companies use revenues they get from product sales and reinvest them toward future products to ensure that innovation is a constant and ongoing process.

Socialist-style price controls, by their very definition, go straight for the heart of these revenues, cutting profits and the essential return on investment (ROI) that makes future projects possible.

In addition to slicing the revenues that allow for R&D, price controls also disincentivize future development projects, thus stifling innovation. If a company engaging in innovative research knows that due to a government-mandated price it won't be able to recoup their R&D expenses, it will shift its focus elsewhere.

It's basic economics, and yet, Democrats in Congress either fail to understand the impact of price controls on both the market and the potential for innovation, they are more concerned about a short-term perceived political victory than patient outcomes, or that this is more about government control of a marketplace than it is about keeping prices low and keeping patients healthy.

But the impact on innovation isn't merely theory, there now is empirical evidence **that price controls are hampering drug development**. The Biden-Harris administration's destructive Inflation Reduction Act's (IRA) Medicare Drug Price "Negotiation" program is already leading to a reduction in the development of treatments and cures. **As of September 2024, 36 research programs and 21 drugs** have been [abandoned](#) thanks to the law's price-setting provisions. Top developers like Pfizer, Eli Lilly, and Bristol Myers Squibb have been forced to make cuts because of the law.

Government intervention in the form of price setting in the private market is inherently antithetical to our capitalist economy—especially when this price-setting is done under the threat of existential financial harm. The hearing on supposedly-high consumer prices for drugs like Ozempic and Wegovy is the latest in a series of attempts by Senator Sanders and others to force the United States toward socialism. This effort, along with any attempts to impose government-mandated prices on medications, will [hurt not only patients](#) in the long-term, it is harming them already. At this hearing, I encourage you to highlight the harms of drug price controls on patients and all Americans. I implore you to remind your fellow lawmakers and the American public that while a capped price may sound appealing, the long-term impacts of socialism far outweigh any short-term perceived benefit.

Sincerely,



Andrew Langer  
Executive Director  
Coalition Against Socialized Medicine (CASM)

Cc:

Senator Rand Paul

Senator Lisa Murkowski

Senator Roger Marshall

Senator Tommy Tuberville

Senator Ted Budd

Senator Susan Collins

Senator Mike Braun

Senator Mitt Romney

Senator Markwayne Mullin