



September 16, 2024

Via electronic delivery

The Honorable Mike Crapo
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Crapo:

On behalf of the Coalition Against Socialized Medicine (CASM), I want to take this opportunity to outline the serious concerns our coalition continues to have with the Inflation Reduction Act (IRA), and why our coalition fundamentally opposes IRA's healthcare provisions ahead of your [upcoming September 17 hearing](#). CASM is comprised of more than a dozen free-market and limited-government organizations, who together seek to protect America's seniors and working families from the perverse incentives and pervasive mismanagement of government-run healthcare programs.

The IRA represents ***nearly everything*** that we oppose.

1. Marxist Style Price Controls

At the very top of our concerns with the IRA is the law's so-called Medicare Drug Price "Negotiation" program. Touted by its supporters as well as President Biden and Vice President Harris as a good-faith price negotiation, the reality is that it is two lies for the price of one. It is not a negotiation, as that word is commonly defined, nor is the exchange made in "good faith." In fact, any impartial finder of fact would nullify the so-called "price negotiation" clause as a contract made under duress.

Under the IRA, the federal government says, "take our offered price. If you do not, we will impose massive excise taxes on you," quite literally creating an existential threat to drug manufacturers. It is eerily similar to the kinds of force applied by totalitarian Marxist regimes. What is pathetic is that anyone who ever visited stores in the USSR in the 1970s and 1980s already knows the impact of Soviet-style price controls.

Price controls create disincentives for researchers to risk, invest, and bring new products to market. This is precisely the [reason](#) top biomedical innovators are slashing key studies and drug development programs. As of September 2024, 36 research programs and 21 drugs have been discontinued since the law's passage.

2. Misuse of Funds Designated for Senior Citizen Healthcare

We remain horrified at how the Inflation Reduction Act, which was passed with only Democrat support (with Vice President Harris breaking the tie in the Senate) and signed into law by President Biden, [siphons \\$260 billion](#) from Medicare for liberal spending priorities. For example, Medicare funds are

being used to pay for Green New Deal [EV tax credits](#) and subsidies for insurance conglomerates. Seniors deserve better than this plan to take **a quarter trillion dollars from Medicare** and spend it on the priorities of partisan programs and political cronies.

Which cronies? Massive insurance companies and their subsidiaries have received billions in windfall profits generated by Democrat spending priorities. Rent-seeking pharmacy benefit managers (PBMs) – most owned by big insurers – shut out competition and keep drug prices high. Like backwards Robin Hoods, they rob from the poor to give to the rich insurers and rely on their lucrative financial [partnership](#) with AARP to quell the outrage. It's no coincidence health insurers like UnitedHealth Group and their bought-and-paid-for ally AARP [spent millions](#) to pass the IRA.

The impact of this corruption cannot be overstated. Among the IRA's victims are seniors enrolled in Medicare Part D, who now face skyrocketing premiums because of the law's price-fixing policies. The average monthly premiums for beneficiaries increased by [21%](#) in 2024 alone, and rates are only expected to increase down the road. Inversely, the number of plans available to enrollees is at an all-time low as companies finally grasp the impact of the government's mismanagement on markets and prices. Seniors are paying the price for the Administration's mismanagement and the insurance industry's insatiable greed.

To continue to repay the big insurer-PBMs for their support, the Biden-Harris Administration is now rolling out a "[demo](#)" program to hide the IRA's impact on premiums. The so-called demonstration project is little more than direct subsidies to political allies in an effort to temporarily and artificially lower premium costs **ahead of the election**. As I wrote recently in [Townhall](#), this program is nothing more than an election-year ploy to hide the disastrous impact of the IRA. Rather than bringing lower costs and more choices, the Biden-Harris IRA is causing prices to jump, and more companies are leaving the marketplace.

This big insurer-Democrat alliance and the power it has does not represent our nation's free market values. This prime example of cronyism enabled the IRA and has directly led to the healthcare repercussions Americans face today. At your upcoming hearing, I urge you to set the record straight. Highlight the true impact of the IRA, particularly on patients depending on medical advancements, seniors facing higher premiums and limited choices, and taxpayers footing the bill to cover up for this corrupt bargain.

Sincerely,

A handwritten signature in black ink that reads "Andrew M. Langer". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew Langer
Executive Director
Coalition Against Socialized Medicine (CASM)

Cc:

Senator Chuck Grassley

Senator John Cornyn

Senator John Thune

Senator Tim Scott

Senator Bill Cassidy

Senator James Lankford

Senator Steve Daines

Senator Todd Young

Senator John Barrasso

Senator Ron Johnson

Senator Thom Tillis

Senator Marsha Blackburn