

Via Electronic Delivery

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

Dear Chairman Cassidy:

On behalf of the <u>Coalition Against Socialized Medicine (CASM)</u>, I write to express strong opposition to the "Most Favored Nation" (MFN) drug pricing model. At your upcoming hearing, "Making Health Care Affordable: Solutions to Lower Costs and Empower Patients," I urge you to consider the serious consequences of this policy, which Ranking Member Bernie Sanders has been a bold champion of.

MFN would tie U.S. drug prices to those in foreign countries, where prices are often set by government-run, single-payer systems. In these nations, patients typically have access to fewer medicines—and face longer delays—compared to patients in America. Importing these policies would undermine innovation in the U.S. and jeopardize patient access to lifesaving treatments. Moreover, it is antithetical to the free-market principles that have fueled America's biomedical leadership.

MFN also threatens to reverse one of President Trump's most important achievements: the reshoring of pharmaceutical manufacturing and investment. Since his election, companies have already announced roughly \$230 billion in new U.S.-based manufacturing and research projects. Importing foreign price controls would hinder this progress and potentially hand strategic advantage to competitors like China and India, which have invested heavily in their domestic biotech industries in recent years.

When drug makers cannot rely on the market to determine prices, they lose the certainty needed to justify high-risk, high-cost R&D investments. We have already seen this with the Inflation Reduction Act (IRA), which has already led to the <u>cancellation</u> of 51 research programs and 26 drug candidates. Foreign government price controls would only further this damage.

There are more effective routes to address high drug prices, and we strongly urge you to consider these during the committee's hearing. First, pursuing bold, America First trade negotiations with foreign countries to make the rest of the world pay their fair share for U.S. medical innovation (the NATO model). Second, allowing patients to purchase prescription drugs directly from manufacturers, cutting out greedy middlemen. Third, reining in big health insurance-PBM conglomerates responsible for manipulating America's drug pricing market and ripping off patients. And fourth, rolling back Biden-era price controls under the IRA and restore fairness to the prescription drug market.

Thank you for your attention to this pressing issue.

Sincerely,

Andrew Langer

Executive Director

Coalition Against Socialized Medicine (CASM)

Cc:

Senator Rand Paul

Senator Susan Collins

Senator Lisa Murkowski

Senator Markwayne Mullin

Senator Roger Marshall

Senator Tim Scott

Senator Josh Hawley

Senator Tommy Tuberville

Senator Jim Banks

Senator Jon Husted

Senator Ashely Moody