



House Budget Committee

SOUNDING THE ALARM: Democrats Double Down on Anti-Innovation Agenda That Harms Efforts to Reduce Long Term Health Costs.

House Democrats this week proposed legislation to drastically expand Biden's prescription drug price setting scheme. If enacted, this will harm efforts to reduce long-term rising health care costs for patients and providers, and it will further reduce research and development investment into new drugs and result in fewer cures reaching patients, particularly those for rare diseases and pediatric cancers.

Innovation Can Reduce Long-Term Costs and Save Lives: The development of innovative new therapies and cures holds the potential to significantly reduce federal health spending – bending our debt curve. Democrats' price controls reduce research and development investment, killing the chance of these new cures being brought to market.

- For instance, the cure for the Hepatitis C virus (HCV), which was brought to market in 2013, will save the Medicaid program over \$52 billion dollars by 2028 by eliminating the costs of HCV and its complications, according to the [American Journal of Managed Care](#).

The Details: Several House Democrat Committee leaders signed on to a bill that would expand the drug price controls from the so-called Inflation Reduction Act (IRA) to the entire commercial market.

- Whereas the IRA limited its scope to certain drugs in Medicare, Democrats want to extend Washington's control over the prescription drug market even further.
- House Democrats' dangerous new plan mirrors similar proposals from Senate Democrats to drastically expand President Biden's attack on America's medical innovation.

Since its enactment, the IRA has already [forced](#) innovative medical companies to halt development of new medicines: Stifling economic growth, and killing patients' hope for cures to some of our rarest and deadliest diseases.

The nonpartisan [Congressional Budget Office](#) and leading [independent economists](#) previously concluded that the IRA's price controls will result in fewer new drugs coming to market and reaching patients. More recent research finds that these radical new proposals could result in up to **237 fewer potentially life-saving drugs being brought to market over the next ten years and cost up to 223,000 jobs** in the biopharmaceutical industry.



According to health care research firm [Vital Transformation](#), if a plan like this were to become law, it could:

- **Result in 237 less FDA approvals for new cures over the next decade:** “We could see declines of up to 237 approvals over the next 10 years.”
- **Target cures in areas of significant unmet need:** “Impacts will be felt most heavily in many areas of unmet need, including in rare disease, oncology, neurology, and infectious disease.”
- **Reduce investment in research and development:** The plan “will reduce investments into 50 different indications...[ranging] from micro-orphan conditions such as Ebola, to large anti-infective therapies targeting Epstein Barr virus and chronic pain.”
- **Force job losses in the biopharmaceutical industry and across the economy:** The reports models “losses of between 146,000 – 223,000 direct biopharmaceutical industry jobs and 730,000 – 1,100,000 total jobs across the U.S. economy.”

House Budget Committee Republicans are committed to fighting back against Biden’s proposed policies that would threaten patients’ hope for new cures, harm efforts to reduce health care costs, and cut jobs in the biopharmaceutical industry, which is critical to maintaining the United States’ leadership in medical innovation. We will continue to push for policies that safeguard innovation while reducing costs for patients.

