

IN CASE YOU MISSED IT

House Budget Health Care Task Force Shapes CBO's Drug Development Analysis

The House Budget Committee Health Care Task Force (HCTF), led by Chairman Rep. Michael C. Burgess, M.D., is determined to deliver results for the American people — including by protecting patient access to new cures and treatments.

Acting on the [request](#) of the HCTF, the Congressional Budget Office (CBO) [recently opened](#) a formal avenue for independent researchers and experts to submit new research and information on policies that impact patient access to new medicines. This important development will help inform CBO's analysis of future policies that could stifle medical innovation and will ensure policymakers are fully aware of the tradeoffs of policies when making impactful decisions on health care legislation.



WORD ON THE STREET



Via [Inside Health Policy](#):

“CBO Agrees To Seek New Data On How IRA Affects Drug Innovation”

- “The Congressional Budget Office (CBO) is heeding calls from House Budget Committee Republicans to gather new data on how the Inflation Reduction Act’s price control policies are affecting pharmaceutical innovation.”
- “CBO Director Phillip Swagel in a blog post published Wednesday (Dec. 20) said the agency [could benefit from new information](#) on how the changes drug companies are expected to see in their future profits will affect the development of drugs with differing characteristics, such as the impact on small molecule drugs versus large molecule drugs or the impact on drugs that target specific diseases or patient populations.”



Via [Politico PULSE](#):

“CBO CALLS FOR NEW RESEARCH”

- “The Congressional Budget Office on Wednesday [called for more](#) drug development research related to policies that could impact development of new treatments.”
- “The move comes after the House Budget Committee’s Health Care Task Force, led by Burgess and committee Chair Jodey Arrington (R-Texas), [pushed for such a call](#). [Burgess has suggested](#) that the CBO’s analysis of the Inflation Reduction Act’s drug-pricing negotiation provisions didn’t adequately capture the law’s potential to reduce new treatments.”

Via [Endnotes](#):

“IRA likely to lead to higher drug list prices and bigger rebates, Congressional Budget Office predicts.”

- “In a letter sent to House Budget Committee Chair Jodey Arrington (R-TX) and Michael Burgess (R-TX) on Dec. 21, CBO Director Phillip Swagel responded to the lawmakers’ request for more information on how the office is assessing the impact of the IRA.”
- The Congressional Budget Office expects that drugmakers will raise their prices and offer larger rebates for new drugs because of provisions in the Inflation Reduction Act, leading to little change in net prices but exacerbating the gap between list prices and what drugs actually cost.”

THE BOTTOM LINE

Spending on health care continues to increasingly consume the federal budget. As [recognized](#) by CBO earlier this year, medical innovation, including new medicines, holds the power to significantly reduce federal health care spending by curing and reducing the financial and health burden of disease—and, more importantly, providing lifesaving cures to American families.

Policymakers need to fully understand the tradeoffs associated with proposed policies that could stifle medical innovation along with the corresponding direct impact on the federal budget, and, more importantly, American patients and families.



The House Budget Committee Health Care Task Force is determined to deliver for the American people and will [continue](#) to work with independent experts, stakeholders, and CBO to examine solutions to improve patient outcomes and reduce federal health care spending.



The announcement from CBO followed close communication between the Health Care Task Force and CBO as well as experts and stakeholders regarding this issue:

- **On October 26th**, HCTF Chair Burgess led a [roundtable discussion](#), which brought together CBO Director Swagel, independent experts, and stakeholders to examine CBO’s analysis of the IRA’s impact on new drug development in the United States.
- **On November 20th**, Chairman Arrington, HCTF Chair Burgess, and HCTF Members led a [letter](#) to CBO Director Swagel that requests answers to how CBO analyzed the impact of the IRA’s drug price control provisions on patient access to the new drugs in the United States. The letter also directly called upon CBO to issue a request for new information on how policies impact new drug development.
- **On December 20th**, CBO issued a [blog post](#) titled “A Call for New Research in the Area of New Drug Development,” allowing independent researchers and stakeholders to formally submit new data and research regarding policies that impact patient access to new medicines.
- **On December 21st**, CBO responded to the HCTF letter requesting more information on how the agency approaches analysis of policies that impact new drug development in the U.S. You can view CBO’s response [HERE](#).

