

# GETTING THE FACTS STRAIGHT ON H.R. 3

Some members of Congress are considering a drug pricing plan, known as H.R. 3, that could have devastating effects for Americans. Proponents of the bill have painted a misleading picture and overlooked the significant negative consequences H.R. 3 could have for patients and our economy if implemented.

*Will H.R. 3 allow the government to negotiate the price of medicines?*

**NO.** H.R. 3 is anything but “negotiation.” Under H.R. 3, the government sets both a maximum and minimum price for a medicine based off prices in the reference countries. If the government and the manufacturer do not agree to a price in that limited range determined by the government, then the manufacturer must pay a massive excise tax of as much as 95% of a medicine’s sales or withdraw the medicine from the U.S. market. Put simply, **H.R. 3 is heavy-handed government interference in a private-sector market that already has robust competition.**

*Will H.R. 3 make sure other countries don’t get a better deal on medicines than America?*

**NO.** Not all medicines cost more in the United States. In fact, **9 out of 10 medicines prescribed to U.S. patients are generics that are often cheaper in the United States than in other developed countries.** International comparisons typically compare artificially low prices set by governments in other countries to the high, undiscounted list prices in the United States, which excludes the savings negotiated between manufacturers and insurers, pharmacy benefit managers and others. And when we do pay more in the United States, it helps ensure patients have better and faster access to the latest medical innovations.

*Will H.R. 3 lower medicine costs for all Americans?*

**NO.** While H.R. 3 is likely to lower drug costs for *some* Americans, it would be at a significant cost for *all* Americans. It could threaten patients’ access to treatments, put nearly a million American jobs at risk and jeopardize current and future medical innovation – all while failing to address the broader challenges facing America’s health care system. Instead, we should focus on practical policies that make health care work better for everyone without sacrificing access to medicines, jobs or future innovation and drug development.

*Will H.R. 3 only impact a small, targeted set of medicines?*

**NO.** H.R. 3 is anything but a targeted approach that singles out only a handful of medicines. Since the Secretary of HHS could negotiate up to 250 unique medicines each year, plus all insulins and certain newly approved medicines, **H.R. 3 would quickly sweep in nearly all eligible medicines in Medicare Part B and Part D.** The impacts of H.R. 3 are also expected to spill into the commercial market and other government programs and could impact access to medicines for all Americans.

*Are medicine prices rising out of control?*

**NO.** **Net prices for brand medicines have grown, on average, below or in line with inflation over the past five years.** Looking forward, overall drug spending is projected to grow in line with total health care spending over the next decade. Meanwhile, total spending growth for other health care, like hospital services, is projected to be six times that of prescription medicines through the next decade. H.R. 3 doesn’t address the real issues of affordability.

*Will H.R. 3 impact future innovation?*

**YES.** H.R. 3 would undermine the collaborative research and development ecosystem that exists in the United States that fosters and supports medical innovation – as has happened in countries with similar policies. **One analysis found that H.R. 3 could result in a 90% reduction in new medicines developed by small, U.S. biotechs alone.** That same analysis found that if H.R. 3 were in place over the past 10 years, more than 60 life-changing medicines would not have come to market.

*Does H.R. 3 threaten patients’ access to medicines?*

**YES.** **In every other country with policies similar to H.R. 3, patients have access to fewer new medicines and wait longer to get the medicines they need.** While nearly 90% of new medicines launched globally in the past decade are currently available to patients in the United States, only about half are available to patients in other countries like France and Canada.

We have to lower what patients pay for their medicines and make sure they are getting the medicines they need. There’s a way to do both, but H.R. 3 isn’t it.