INFLATION REDUCTION ACT ALREADY IMPACTING R&D

Even before the Inflation Reduction Act passed and was signed into law, many predicted it would have an impact on medical innovation. A recent survey of PhRMA member companies found many are already taking the law into account when making R&D decisions. Here are some of the key findings from survey respondents:

- 3/4 of companies surveyed said the law creates significant uncertainty for R&D planning.
- $\text{and that they are already reconsidering their R&D investment strategy.}$

For those companies that answered the following questions:

- 78% said early-stage pipeline projects are likely to be canceled.
- 2/3 said pipeline projects for new medicines that are planned but not yet in clinical development will likely no longer be pursued.
- 63% said they expect to shift R&D investment focus away from small molecule medicines.
- 57% said they expect to reduce spending on new scientific platforms that may take many years to develop.
- 82% or more of companies with pipeline projects in cardiovascular, mental health, neurology, infectious disease, cancer or rare diseases expect “substantial impacts” on R&D decisions in these areas.

Learn more at PhRMA.org/Inflation-Reduction-Act

Source: Survey commissioned by PhRMA and conducted in November-December 2022 with 25 of 33 PhRMA member company responses.