



December 10, 2019

Key Vote NO on Speaker Pelosi's Socialist Drug Price Fixing Plan, H.R. 3

On behalf of FreedomWorks' activist community, I urge you to contact your representative and urge him or her to vote NO on Speaker Nancy Pelosi's Socialist Drug Price Fixing Plan, H.R. 3. The bill would create unprecedented levels of government involvement in setting prices for prescription medication in the U.S. It would also amount to a massive tax increase on manufacturers of life-saving medication, potentially creating shortages of such medication.

This proposal would implement a government price fixing scheme based on drug prices in foreign nations. Under the Pelosi Plan, drug prices would be capped at 120 percent of prices in a basket of six nations, chosen on a seemingly arbitrary basis. Not only would this be a tacit admission that command-and-control, single-payer systems are somehow more effective, it would begin the process of importing the same inefficiencies of those systems to the U.S. We cannot afford drug shortages, longer wait times, and less innovation.

Studies have shown that if lung cancer patients in the United States had the same level of access to treatment as patients in these reference nations, the survival rate in the U.S. would be significantly lower than it is now. It is foolish to think that we can seek to copy the prices of other nations and not take on any of the risks or downfalls associated with them. The consequences are quite literally fatal for so many American families. The Pelosi Plan will damage patient outcomes across our nation.

This price cap comes under the guise of "negotiation." Under this regime, drug manufacturers would negotiate prices with the government in all sectors: public and private. Not only can a negotiation not be fair and open if there is already a ceiling imposed by one side, but it cannot be fair and open when one side is openly coercive. The Pelosi Plan allows the government to tax drug manufacturers 95 percent of their annual sales if they cannot come to an agreement. Under such a system, private companies would have no leverage whatsoever and would be subject to

the whims of government regulators. This would severely damage research and development on new and innovative cures.

Beyond the unprecedented level of government involvement in our healthcare space, the Pelosi Plan would introduce, the economics are deeply flawed. Prices are a signal of what something is worth. Merely dictating that prices be different will not solve the underlying issue. It is a simplistic proposal to address a very complicated problem. We need a drug pricing package that actually gets at the heart of why prescription drugs are so expensive. For a problem that impacts so many, we cannot afford half-hearted proposals like this one.

FreedomWorks will count vote for H.R. 3 when calculating our Scorecard for 2019 and reserves the right to score any amendments and weight any votes.. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks