



The Honorable Chuck Schumer
Majority Leader
United States Senate

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives

March 17th 2021

Dear Majority Leader Schumer and Speaker Pelosi:

On behalf of [Lower Drug Prices Now \(LDPN\)](#), a coalition of labor unions, community organizations, think tanks, and advocacy groups that represent millions of people who are struggling with high prescription drug prices, I'm writing to thank you for your work to spotlight drug corporations' relentless price gouging. LDPN urges you to take bold action to make prescription medicines affordable for everyone who needs them, and to hold accountable drug corporations that exploit patients or the pandemic to inflate profits.

Last year, LDPN supported H.R. 3, the [Lower Drug Costs Now Act](#), as a positive first step toward lowering drug prices on a range of medicines and extending negotiated lower prices to more payers. We are eager to see Democratic leaders re-introduce H.R. 3 for action in the 117th Congress and help us finally achieve the many popular and long-overdue reforms that would increase access to medicines for millions of Americans.

As lawmakers consider this year's opportunity to generate savings, increase accountability, and prioritize affordability for as many patients as possible, we urge you to consider two key goals on drug prices that our coalition strongly supports:

- Ensure that everyone benefits from lower drug prices negotiated under this measure, including people who are covered by Medicare, private group and individual plans, and the uninsured.

- Expand which drugs are eligible for negotiation and inflation caps so that people can afford more of the prescription drugs they need to lead healthy lives.

As you know, the price of prescription medicine is [rising faster](#) than the price of any other medical good or service. Prescription drug corporations are the most [profitable industry](#) in the nation and are now poised to make even more profits from the vaccines they have developed largely with public money — our money. Even in the pandemic that has cost millions of people their jobs, income, health care and countless lives, the drug corporations continue to [raise prices](#) at multiple times the rate of inflation. Over the decade before COVID-19, drug corporations hiked prices far above [annual median wage increases](#), consistently putting their profits ahead of patients' health.

LDPN believes that Congress has a unique and timely opportunity right now to make meaningful progress on lowering drug prices as part of a “build back better” strategy that tackles long-standing affordability and access issues in the healthcare system, that promotes health equity and fairness, and that generates savings that can be reinvested in increasing access and affordability.

Drug pricing provides a key opportunity to accomplish all three by passing policy that is popular across the political spectrum and that concretely improves people's lives in the short and long term. We have developed the following specific recommendations for further improving the *Lower Drug Costs Now Act*:

- We urge you to lower prices through robust negotiation provisions that would:
 - Give the Department of Health and Human Services (HHS) Secretary the authority to negotiate prices for all drugs by expanding negotiation eligibility criteria and eliminating the non-interference clause.
 - Prioritize drugs with the highest revenue and greatest public health impacts.
 - Establish a mechanism for the public to petition HHS to negotiate on specific drugs.
- We urge you to bolster the inflationary caps by replacing rebates with an excise tax and by following President Biden's lead by expanding the drugs covered to include “all brand, biologics and abusively priced generic drugs to inflation.”
- We also urge you to eliminate the tax deduction that drug corporations can claim for marketing and advertising their products. In 2016, for television ads alone, drug corporations were able to [deduct more than \\$6 billion](#).
- We urge you to increase transparency by requiring detailed reporting of research and development spending by clinical trial or trial phase, including both pre- and post-market approval.

Again, on behalf of Lower Drug Prices Now, I want to thank you for your leadership in addressing the ongoing crisis created by exorbitant drug prices. We look forward to working with you to enact effective

solutions so that no one in America is forced to go without life-saving drugs or go into debt to get the medications they need to stay healthy and take care of their families.

Sincerely,

Margarida Jorge

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Cc:

U.S. House Committee on Energy and Commerce
U.S. House Committee on Oversight and Reform
U.S. House Committee on the Budget
U.S. House Committee on Ways and Means
U.S. Senate Committee on the Budget
U.S. Senate Committee on Finance
U.S. Senate Committee on Health, Education, Labor & Pensions