

Right-Wing Groups Join PhRMA's Attack Against Lowering Prescription Drugs After Receiving Over \$1 Million From The Industry Group During The 2021 Fiscal Year

In June 2023, PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Filed A Lawsuit Challenging The Inflation Reduction Act's Medicare Drug Negotiation Provisions, A Policy Estimated To "Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031)."

In June 2023, PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Filed A Lawsuit Challenging The Inflation Reduction Act's Medicare Drug Negotiation Provisions, With Its President and CEO Criticizing Them As "Bad Policy That Threatens Continued Research And Development And Patients' Access To Medicines" While "Hand[ing] The Executive Branch Unfettered Discretion To Set The Price Of Medicines In Medicare."

June 2023: PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Alongside The National Infusion Center Association (NICA) And The Global Colon Cancer Association (GCCA), Announced It Had Filed A Lawsuit In The Western District Of Texas Challenging The Inflation Reduction Act's Medicare Drug Negotiation Provisions. "The pharmaceutical industry's largest lobbying group on Wednesday filed a lawsuit challenging provisions in the Biden administration's Inflation Reduction Act that will allow Medicare to start negotiating prices for certain drugs. The lawsuit from the Pharmaceutical Research and Manufacturers of America (PhRMA) argues the law's signature provision about Medicare negotiation is unconstitutional. PhRMA joined with the National Infusion Center Association (NICA) and the Global Colon Cancer Association (GCCA) to file the suit in the U.S. District Court for the Western District of Texas." [The Hill, [06/21/23](#)]

In A Statement Announcing The Lawsuit, PhRMA President And CEO Stephen Ubi Called Medicare Drug Negotiation A "Bad Policy That Threatens Continued Research And Development And Patients' Access To Medicines," "Violates The U.S. Constitution Because It Includes Barriers To Transparency And Accountability," And "Hands The Executive Branch Unfettered Discretion To Set The Price Of Medicines In Medicare":

PhRMA President and CEO Stephen J. Ubi stated:

"The price setting scheme in the Inflation Reduction Act is bad policy that threatens continued research and development and patients' access to medicines. It also violates the U.S. Constitution because it includes barriers to transparency and accountability, hands the executive branch unfettered discretion to set the price of medicines in Medicare and relies on an absurd enforcement mechanism to force compliance. We hope the court recognizes the serious concerns raised and declares the price setting provisions unconstitutional."

[PhRMA, [06/21/23](#)]

The Inflation Reduction Act Of 2022 Included Provisions Requiring The Federal Government To Negotiate Certain Drug Prices Under Medicare Starting In 2026, A Policy Estimated To "Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031)."

The Inflation Reduction Act Included Provisions Requiring The Federal Government To Negotiate The Price Of Certain Drugs Covered Under Medicare Part B And Part D Starting In 2026, A Policy The

Congressional Budget Office (CBO) Has Estimated Will “Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031).” “The Inflation Reduction Act of 2022, signed into law by President Biden on August 16, 2022, includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government. This legislation has taken shape amidst strong bipartisan, public support for the government to address high and rising drug prices. CBO estimates that the drug pricing provisions in the law will reduce the federal deficit by \$237 billion over 10 years (2022-2031). The prescription drug provisions included in the Inflation Reduction Act will: [...] Require the federal government to negotiate prices for some drugs covered under Medicare Part B and Part D with the highest total spending, beginning in 2026” [Kaiser Family Foundation, [01/24/23](#)]

The Vast Majority Of Adults Believe The Cost Of Prescription Drugs Is Unreasonable And Favor Allowing The Federal Government To Negotiate Lower Drug Prices With Pharmaceutical Companies.

Over 80% Of Adults Believe The Cost Of Prescription Drugs Is Unreasonable, With Around 30% Admitting To Not Taking Medicines As Prescribed Due To Costs.

A July 2023 Kaiser Family Foundation Poll Found 82% Of Adults Believed The Cost Of Prescription Drugs Was Unreasonable. “While about eight in ten adults (82%) say the cost of prescription drugs is unreasonable, most say affording prescriptions is either ‘very’ or ‘somewhat easy’ (65%).” [Kaiser Family Foundation, [08/21/23](#)]

The Same Poll Found Around 30% Of Adults Reported Not Taking Their Medicines As Prescribed Over The Past Year Due To Cost, Including 21% Who Reported Not Filling A Prescription Or Taking An Over-The-Counter Alternative Instead. “About three in ten adults report not taking their medicines as prescribed at some point in the past year because of the cost. This includes about one in five who report they have not filled a prescription or took an over-the counter drug instead (21%), and 12% who say they have cut pills in half or skipped a dose because of the cost.” [Kaiser Family Foundation, [08/21/23](#)]

A Majority Of Democrats, Republicans, And Independents Believed There Was Not Enough Regulation Limiting Prescription Drug Costs, While 83% Of Adults Favored Allowing The Federal Government To Negotiate Lower Drug Prices With Pharmaceutical Companies.

A Majority Of Individuals Among Democrats, Republicans, And Independents Believed There Was “Not As Much Regulation As There Should Be’ When It Comes To Limiting The Price Of Prescription Drugs.” “Majorities across partisans, including eight in ten Democrats (82%), and about two-thirds of Republicans (68%) and independents (67%) say there is ‘not as much regulation as there should be’ when it comes to limiting the price of prescription drugs.” [Kaiser Family Foundation, [08/21/23](#)]

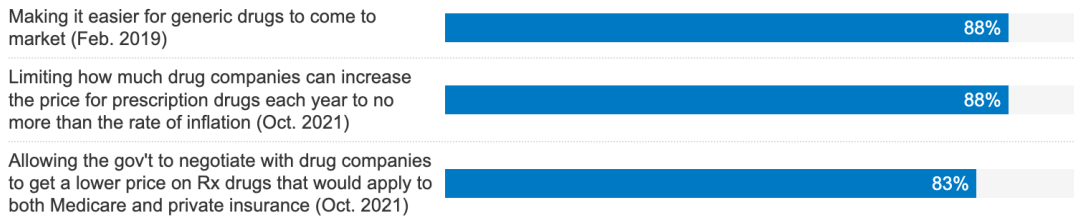
- **Around 80% Of Respondents Believed Pharmaceutical Profits Were A Major Factor Contributing To Prescription Drug Costs.** “The public sees profits made by pharmaceutical companies as the largest factor contributing to the price of prescription drugs. At least eight in ten across partisans say profits made by pharmaceutical companies are a ‘major factor’ in the price of prescription drugs.” [Kaiser Family Foundation, [08/21/23](#)]

An October 2021 Kaiser Family Foundation Poll Found 83% Of Adults Favored Allowing The Federal Government To Negotiate Lower Drug Prices With Pharmaceutical Companies:

Figure 9

Most Adults Favor Several Actions To Lower Drug Costs

Percent who favor each of the following actions that would keep prescription drug costs down:



[Kaiser Family Foundation, [08/21/23](#)]

In October 2023, A Group Of Over 40 Conservative Groups Wrote A Letter Calling On Congress To Repeal The Inflation Reduction Act's Drug Price Negotiation Program After Receiving Over \$1 Million In Grants And Contributions From PhRMA During The 2021 Fiscal Year.

In October 2023, A Coalition Of Over 40 Conservative Groups, Including The Competitive Enterprise Institute And Americans For Prosperity, Urged Lawmakers To Repeal The IRA's Prescription Drug Price Negotiation, Claiming It Created A "Price Control Regime," Including Industry Talking Points That High Drug Prices Are Not A Symptom Of "Corporate Greed" But A Direct Result Of The High Costs For Research & Development.

October 2023: A Coalition Of Over 40 Conservative Groups Signed A Letter Urging Congress To Repeal The Medicare Drug Price Negotiation Program Included In The Inflation Reduction Act. "A coalition of more than 40 groups is calling on Congress to repeal the Drug Price Negotiation Program included in the Inflation Reduction Act (IRA) that passed last year, arguing that the price control scheme run by the Biden administration will ultimately lead to shortages of medicines and higher costs." [Fox Business, [10/31/23](#)]

The Letter Was Led By The "Free-Market" Conservative Think Tank Competitive Enterprise Institute And Included Other Conservative Groups Such As Americans For Prosperity And Tea Party Patriots Action, Among Others. "The signatories, led by free-market think tank Competitive Enterprise Institute (CEI), include leaders from several libertarian and conservative-leaning groups, including Americans for Prosperity, Americans for Tax Reform, and Tea Party Patriots Action." [Fox Business, [10/31/23](#)]

The Litany Of Conservative Groups Claimed That The "IRA's Price Control Regime Is A Solution In Search Of A Problem," Further Claiming Inflation On Drugs Is "Much Lower Than General Inflation." "We first note that the IRA's price control regime is a solution in search of a problem. Legislators focused on drugs' list prices. But the actual net prices after all discounts and rebates have been relatively stable, and prescription drug inflation has been much lower than general inflation. Prescription drug expenditures are a lower percentage of overall health care expenditures in the U.S. than the average percentage in 11 developed countries." [CEI Coalition Letter to end IRA Prescription Drug Price Controls, [10/31/23](#)]

The Groups Further Claimed That High Drug Prices Were "Less A Reflection Of Corporate Greed" And Instead Cited Industry Talking Points That Prices Were "The Direct Result" Of Research & Development Costs. "High initial prices for some specialty drugs are less a reflection of corporate greed than the direct result of the high costs of research, testing, development, and evaluation that goes into bringing new drugs to market." [CEI Coalition Letter to end IRA Prescription Drug Price Controls, [10/31/23](#)]

According To Its FY 2021 Form 990, PhRMA Contributed Over \$1 Million In Grants And Contributions To Organizations That Later Signed The Coalition Letter Urging Congress To Repeal President Biden's IRA Prescription Drug Mandate.

Letter Signatory	FY 2021 Money From PhRMA
60 Plus Association	\$50,000
American Commitment	\$75,000
Americans for a Balanced Budget	\$20,000
Center for Individual Freedom	\$90,000
Center for Medicine in the Public Interest	\$75,000
Competitive Enterprise Institute	\$35,000
Consumer Action for a Strong Economy	\$100,000
Consumer Choice Center	\$75,000
FreedomWorks	\$75,000
Frontiers of Freedom	\$15,000
Information Technology & Innovation Foundation	\$115,000
Institute for Policy Innovation	\$40,000
Pacific Research Institute	\$200,000
Taxpayers Protection Alliance	\$50,000
Trade Alliance to Promote Prosperity	\$75,000
TOTAL:	\$1,090,000