

PhRMA's Latest 2022 IRS Filing Shows Over \$1.2 Million In Payments To Opponents of Medicare Drug Price Negotiations

In October 2023, A Coalition Of Over 40 Conservative Groups, Including The Competitive Enterprise Institute And Americans For Prosperity, Signed On To A Letter Urging Lawmakers To Repeal The Inflation Reduction Act's Prescription Drug Price Negotiation Mandate, Claiming It Would Create A "Price Control Regime," Spouting Industry Talking Points Drug Prices Are Not A Symptom "Of Corporate Greed."

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 2022 Form 990, PhRMA Contributed Over \$1 Million In Grants And Contributions To Conservative Organizations That Later Signed A Coalition Letter Urging Congress To Repeal President Biden's Prescription Drug Mandate.

According To Its FY 2022 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 2022 Money From PhRMA
American Commitment	\$75,000
Americans for a Balanced Budget	\$15,000
Center for a Free Economy	\$152,000
Center for Individual Freedom	\$75,000
Center for Medicine in the Public Interest	\$70,000
Competitive Enterprise Institute	\$25,000
Consumer Action for a Strong Economy	\$115,000
Consumer Choice Center	\$75,000
FreedomWorks	\$70,000
Frontiers of Freedom	\$7,500
Information Technology & Innovation Foundation	\$142,700
Institute for Policy Innovation	\$20,000
Pacific Research Institute	\$125,000
Taxpayers Protection Alliance	\$60,000
Trade Alliance to Promote Prosperity	\$50,000
TOTAL:	\$1,077,200

PhRMA Also Contributed \$175,000 To The Alliance For Aging Research, A Nonprofit Advocacy Group That Has Attacked President Biden's Prescription Drug Negotiation Mandate, Calling It "Macabre And Misleading," Claiming It Would "Limit Access To Breakthrough Treatments And Discriminate Against Older Adults And People With Disabilities."

The Alliance For Aging Research—Which Took \$175,000 From PhRMA In 2022—Has Repeatedly Blasted Efforts To Lower The Costs Of Prescription Drugs, Calling The Price Negotiation Provision In The IRA As "Macabre And Misleading," Claiming It Will "Limit Access To Breakthrough Treatments And Discriminate Against Older Adults And People With Disabilities."

According To Its 2022 IRS Form 990, PhRMA Contributed \$175,000 To The Alliance For Aging Research. [2022 IRS Form 990, [11/15/23](#)]

August 2023: Following The Announcement That Medicare Would Negotiate The Prices Of The First 10 Drugs With Pharmaceutical Companies, Alliance For Aging Research President And CEO Sue Peschin Said, "Staging A Celebration To Announce The First 10 Part D Drugs Subject To CMS' Government Price-Setting In The Medicare Program Is Macabre And Misleading." "This morning, the Centers for

Medicare and Medicaid Services (CMS) announced the first 10 Part D drugs to be subject to Medicare price-setting. Sue Peschin, MHS, President and CEO at the Alliance for Aging Research, issued the following statement in response: 'Staging a celebration to announce the first 10 Part D drugs subject to CMS' government price-setting in the Medicare program is macabre and misleading.'" [Alliance for Aging Research, [08/29/23](#)]

- **According To Its Website, "The Alliance For Aging Research Is The Leading Nonprofit Organization Dedicated To Changing The Narrative To Achieve Healthy Aging And Equitable Access To Care."** "The Alliance for Aging Research is the leading nonprofit organization dedicated to changing the narrative to achieve healthy aging and equitable access to care." [Alliance for Aging Research, accessed [11/22/23](#)]
- **Peschin Further Made The Claim It "Signals The Start Of A Chain Reaction Of Rationing And Switching Doctor-Prescribed Medications."** "Instead of improving affordability for older adults, CMS' announcement signals the start of a chain reaction of rationing and switching doctor-prescribed medications that will negatively impact clinical care for millions of Medicare beneficiaries starting in 2026 and beyond." [Alliance for Aging Research, [08/29/23](#)]

On June 30, 2023, The Centers For Medicare & Medicaid Services (CMS) "Released Revised Guidance Detailing The Requirements And Parameters Of The New Medicare Drug Price Negotiation Program For The First Round Of Negotiations, Which Will Occur During 2023 And 2024 And Result In Prices That Will Be Effective Beginning In 2026." "For the first time in history, Medicare has the ability to directly negotiate the prices of covered prescription drugs due to President Biden's historic prescription drug law, the Inflation Reduction Act. Today, the Centers for Medicare & Medicaid Services (CMS) released revised guidance detailing the requirements and parameters of the new Medicare Drug Price Negotiation Program for the first round of negotiations, which will occur during 2023 and 2024 and result in prices that will be effective beginning in 2026. Alongside other provisions in the new drug law that increase the affordability of health care and prescription drug costs, the Medicare Drug Price Negotiation Program strengthens Medicare's ability to serve people with Medicare now and for generations to come." [Centers for Medicare & Medicaid Services, [06/30/23](#)]

- **June 2023: Following The Released Guidance, The Alliance For Aging Research's Vice President Of Public Policy Said The Group "Has Consistently Opposed The Direct Negotiation Provision In The Inflation Reduction Act (IRA) Due To Concerns About Use Of Prominent Metrics That Have Been Shown To Limit Access To Breakthrough Treatments And Discriminate Against Older Adults And People With Disabilities."** "This morning, the Centers for Medicare and Medicaid Services (CMS) released updated guidance on the Medicare Drug Price Negotiation Program. Michael Ward, MS, Vice President of Public Policy and Government Affairs at the Alliance for Aging Research, issued the following statement in response: 'The Alliance for Aging Research has consistently opposed the direct negotiation provision of the Inflation Reduction Act (IRA) due to concerns about use of prominent metrics that have been shown to limit access to breakthrough treatments and discriminate against older adults and people with disabilities. Despite efforts by CMS to avoid well-known harmful metrics like the Quality Adjusted Life Year (QALY), the recently revised guidance indicates CMS plans to rely on similar assessments, such as the equal value of life years gained (evLYG) metric.'" [Alliance for Aging Research, [06/30/23](#)]