



Biotechnology
Innovation
Organization

Dr. Michelle McMurry-Heath
President & CEO

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The Honorable Donald J. Trump
President, United States of America
The White House
Washington, D.C.

Dear Mr. President:

On behalf of the more than 800 BIO member companies who are deeply committed to developing innovative treatments and cures for American patients, I am writing to urge you to stop any further implementation of your Executive Order forcing Medicare to adopt foreign price controls that would jeopardize access to the transformative therapies of today and tomorrow by the most vulnerable Medicare patients.

We are in the midst of a global pandemic, the likes of which this country hasn't seen in 100 years. BIO's member companies are working around the clock to develop vaccines and therapies to help pull America out of this crisis and get this country back to work and school. To date, there have been 661 unique drug programs launched in just the last six months to fight COVID-19. Precisely because of this country's market-based system of competition and innovation, more than half of these drug programs have originated from within the United States, and roughly 70% of them are from small biopharmaceutical companies that rely heavily on private capital investment to continue their research and development. At the very time when these companies are focused on developing vaccines and therapies for a pandemic that is ravaging America's elderly, your proposal to import into Medicare the lowest price from foreign countries that systematically under-value innovation and restrict access for patients would significantly reduce the incentive to invest in medicines for this vulnerable population.

The harmful results of such a policy will be predictable – substantially fewer new biomedical breakthroughs for patients suffering from COVID-19 and a host of other deadly and life-threatening diseases for which we currently have no effective treatments. As your own Council of Economic Advisors warned about similar policies proposed in Congress last year, approximately 100 fewer drugs could enter the marketplace as a result of less investment in R&D over the next decade. This estimate is supported by actual experience from the failed European experiments with price controls – prior to which biopharmaceutical R&D investment in Europe was 24 percent higher than in the United States; today, after adopting international

reference pricing and other government-mandated prices, Europe trails the United States in biopharmaceutical R&D by more than 40 percent.

Adopting similar policies in the United States would diminish America's leadership in medical research and development and reduce global development altogether. While we agree that other countries should pay their fair share for global innovation, the United States should pursue that goal through trade agreements and other appropriate avenues. We should export our market-based, innovation-supporting system, not import the problems associated with these foreign, government-mandated healthcare restrictions.

Indeed, the concerns with government price controls go beyond lost innovation. As we have seen in the countries whose prices you seek to adopt, these price control schemes also disrupt providers' ability to provide appropriate care and increase barriers to patient access to the most cutting-edge innovations – with devastating consequences for patients. For example, in the United Kingdom, between 2010 and 2014, a patient with brain cancer was nearly 40% less likely to survive five years after diagnosis than a patient in the United States. We need to bring other countries up to the U.S. gold standard of innovation and patient care, rather than adopting their policies that lead to sub-standard care.

We fully share your commitment to making drugs more affordable and accessible for all patients, particularly for the most vulnerable populations served by Medicare. But rather than impose patient-harming and innovation-killing price controls, we would like to work with you on solutions that will dramatically lower costs for patients and reduce perverse incentives within our system that lead to unnecessarily higher list prices – without undermining our strong biotech economy that brings good jobs to America and biomedical breakthroughs to the world.

Yours Sincerely,



Dr. Michelle McMurry-Heath