

# Democrats Drug Pricing Scheme Means Fewer Cures

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Democrats' drug pricing scheme in Build Back Broke will lead to less innovation, fewer cures, and no hope. It will also make America more reliant on Chinese medical manufacturing and supply chains. It is a giveaway to health insurance companies at the expense of seniors and people who rely on American pharmaceutical innovation for a better quality of life.

## **The Democrats Drug Pricing scheme:**

- **Leads to fewer cures and treatments.**
  - It forces a 95% excise tax on the makers of innovative drugs unless compliant with HHS price control.
  - As many as 100+ new cures may be at risk of not coming to market due to this innovation-killing policy.
  - This scheme may result in an estimated 90% reduction in new medicines developed by smaller drug manufacturing companies.
- **Ties the cost of prescription drugs to fluctuate with President Biden's surging inflation crisis.**
  - This scheme caps annual drug price increases at inflation, leading to higher and more unaffordable prices for new drugs.
  - General inflation rose 9.1% from June '21 to June '22, while the prescription drug pricing index rose by just 2.5% over the same period. Do Democrats want drug prices to increase by nearly three times as much as they are now?
  - Democrats are making future cures and treatments more expensive. CBO anticipates that drug companies will be incentivized to launch new drugs at higher prices to avoid penalties from future price increases.
- **Lines the pockets of PBMs, middlemen who hide savings from patients and seniors.**
  - Half of the Democrats' so-called "deficit reductions" stem from a budget gimmick of repealing the Trump Administration's rebate rule.
  - By refusing to enforce the rebate rule, Democrats are handing a win to PBMs who are robbing patients and seniors of savings at the pharmacy.

- **Includes giveaways to insurance companies and will raise premiums.**
  - Extends increased payoffs for health insurance companies for 3 years, further inflating health insurance premiums that already have increased 17.3% from June 2021 to June 2022.

**What experts are saying about Democrats Build Back Broke,**

- “R&D spending will fall about 18.5%, amounting to \$663 billion. We find this cut in R&D activity leads to 135 fewer new drugs.” (Univ. of Chicago)
- “Reduce[s] by 88% the number of drugs brought to market by small and emerging companies in California alone.” (California Life Sciences Association)
- “Lead to a 40% cut on average for Medicare providers that furnish Part B drugs,” such as drugs for cancer. (Avalere)