



August 21, 2020

President Donald J. Trump
The White House
1600 Pennsylvania Ave, NW
Washington, D.C. 20500

Dear President Trump:

We the [Council of State Bioscience Associations](#), representing 46 state bioscience associations across the United States, are writing to express our strong opposition to the issuance of any order or rule by your Administration that would force Medicare to adopt foreign price controls on medicines. These price controls would jeopardize access to the transformative therapies of today and tomorrow for our nation's most vulnerable Medicare patients.

The Council of State Bioscience Associations is a confederation of state-based, non-profit trade associations and advocates for public policies that support responsible development of the bioscience industry. The vast majority of our member companies are small-to-medium in size and do not yet have major products approved and on the market. Yet these companies are leading the majority of innovative, cutting edge work to develop new therapies and cures, including hundreds of potential vaccines and treatments for COVID-19. Scientists at these companies are providing hope for patients and their families and have moved with record speed to address the challenges brought forth by COVID-19.

Indeed, our companies are working closely with you and your administration to fight against COVID-19. You have publicly praised our companies' work to develop vaccines and therapies for a pandemic that is ravaging elderly Americans, but your proposal to import foreign price controls into Medicare would undermine these very efforts. These foreign countries systematically undervalue American-led innovation, so adopting their price controls will significantly reduce the incentive for companies to continue investing in medicines for the Medicare population. As a result, there will be substantially fewer new biomedical innovations for patients suffering from COVID-19 and many other diseases for which we currently have no effective treatments and cures.

In fact, when foreign reference pricing was proposed in Congress last year, your own Council of Economic Advisors reported that approximately 100 fewer drugs could enter the marketplace because of the reduced investment in research over the next decade. This estimate is supported by 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 research by more than 40 percent.

If the United States adopts foreign reference pricing policies, America's leadership in medical research and development will likewise falter. It is imperative to find ways to have other countries pay their fair share, but this is not the solution. We should *export* our market-based, innovation-supporting system, not *import* the problems associated with these foreign, government-mandated healthcare restrictions.

We strongly urge you to abandon this Executive Order and any administrative action to implement or adopt foreign price control schemes into Medicare.

Like you, we are committed 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 the perverse incentives within our system that can lead to higher costs. We believe we can work together on solutions that will not undermine our world-leading biotechnology sector – one that supports millions of good jobs in America and ensures biomedical breakthroughs for the world.

Sincerely,

A handwritten signature in black ink, reading "Michele M. Oshman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Michele M. Oshman
Executive Director, Council of State Bioscience Associations

cc: Secretary Azar
The Honorable Mark Meadows