

## COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

March 5, 2019

Subcommittee Chairman Lloyd Doggett  
Ways & Means Committee, Health Subcommittee  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Subcommittee Chairman Doggett,

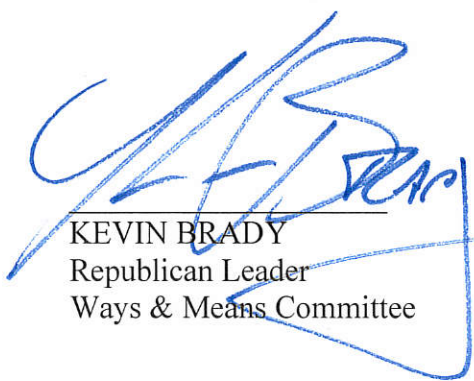
Thank you for convening today's hearing about prescription drug pricing. As we've made clear: Congress needs to work together to lower out-of-pocket health care costs by cracking down on overpriced drugs, empowering patients to choose the most affordable medicines for them, and eliminating the incentives in Medicare that reward bad actors and lead to higher prices. While we hope the witnesses at today's hearing can help inform us as we work toward that goal, we reject any legislation that makes it legal for Washington to control and confiscate medicines.

The non-partisan Congressional Budget Office has studied the direct negotiation by the Federal government in Medicare drugs and concluded there would be "a negligible effect on federal spending" without establishing a single, government-controlled formulary<sup>1</sup>—where innovative, breakthrough drugs for seniors could be excluded due to their cost and patients would have no right to choose another option. This outcome is unacceptable.


Moreover, we reject any attempt to empower the Federal government to confiscate the intellectual property of a manufacturer that rejects the "best offer" of Washington bureaucrats. Congress has long recognized the need for a balanced system that rewards innovators and fosters a competitive market for drugs. "Compulsory licensing," or the Washington-sanctioned seizure of research and development, would radically undermine innovation and reduce access to cures.

Let's work together, instead, on legislation that protects the hope of future medical breakthroughs while lowering costs for all Americans. We are grateful for your focus on this issue and look forward to continuing this discussion.

Sincerely,



KEVIN BRADY  
Republican Leader  
Ways & Means Committee



DEVIN NUNES  
Republican Leader  
Ways & Means Committee, Health  
Subcommittee

<sup>1</sup> Congressional Budget Office. "Letter to the Honorable Ron Wyden." 10 April 2007.