***Importing International Reference Pricing in the U.S. Jeopardizes Patient Access to Innovative Medicines***

Adopting foreign price controls on innovative medicines would severely chill investment in new cures and therapies for diseases, such as Alzheimer's and cancer, and thus jeopardize access to new, innovative medicines for patients most in need.

- In the debate over drug pricing differences between the U.S. and other countries, there is the oft-ignored and stark reality that the absence of price controls in the U.S. leads to more and newer medicines made available sooner to Americans, with better health outcomes for those with serious diseases. The differences in access are significant and offer a clear warning to those who want to import such systems into the U.S.:[1]
    - Of the 74 cancer drugs launched between 2011 and 2018, ***95% are available in the United States.*** Compare this with ***74% in the United Kingdom, 49% in Japan, and 8% in Greece.***
    - Nearly 90% of all new medicines launched since 2011 are available in the U.S., compared to just ***50% in France, 48% in Switzerland, and 46% in Canada.***

- This lack of access presents real dangers to patients. A recent study highlighted these risks, comparing differences in health outcomes for patients being treated for locally advanced or metastatic Non-Small Cell Lung Cancer (NSCLC).[2]
    - The researchers found that, if the access conditions for five ex-U.S. comparator countries (Australia, Canada, France, South Korea, and the United Kingdom) were to replace the actual U.S. access conditions between 2006 and 2017, ***aggregate survival gains due to innovative medicines would have been cut in half for U.S. patients diagnosed with locally advanced and metastatic NSCLC.***
    - According to the authors, this ***reduction in health gains is due to the access delays experienced by patients in other countries compared to patients in the U.S.***

In addition to the serious access concerns demonstrated above, the decision to implement artificial price controls would come at a steep price in terms of future research into the most innovative medicines and cures of tomorrow.

- Prior to the adoption of price controls, European-based firms led the U.S. on prescription drug research and development by 24%.[3] By 2015, these firms had ***fallen behind their U.S. counterparts by 40%.***[4]

- Price controls in OECD countries ***reduced global R&D spending by between $5 billion and $8 billion,*** enough to fund the discovery of three to four new drugs per year.[5]

- Economists have warned that, had foreign price controls been adopted in the U.S. from 1986-2004, 117 fewer new medicines would have been produced for worldwide use.[6] Conversely, a 2018 study by

[1] https://catalyst.phrma.org/new-analysis-shows-that-more-medicines-worldwide-are-available-to-u.s.-patients
[2] https://cdn.ihs.com/www/prot/pdf/0119/IHSM_NSCLC%20HTA%20model%20white%20paper_18Jan2019r.pdf
[3] https://www.nber.org/papers/w12676.pdf
[4] https://iri.jrc.ec.europa.eu/scoreboard16.html
[5] https://2016.trade.gov/td/health/DrugPricingStudy.pdf
[6] http://www.aei.org/publication/prescription-drug-price-controls-pose-lethal-problems/

researchers with Precision Health Economics found that eliminating price controls in OECD countries would lead a 12 percent increase in R&D and the development of 13 new drugs per year.[7]

- Alzheimer's disease is a devastating illness for 5.7 million Americans and their families and costs $277 billion each year, including nearly 20% of Medicare spending. Between 1998 and 2017, there were 146 unsuccessful attempts to develop medicines to treat and potentially prevent Alzheimer's.[8] Despite these setbacks, biopharmaceutical researchers and the companies they work for are committed to finding new therapies to treat this disease, ***but foreign price controls will shift investment away from this research and leave little hope for patients and their families***. The same is true for many other diseases where patients and their families hope for a successful treatment or cure.

[7] https://tools.ispor.org/research_pdfs/58/pdffiles/PHP216.pdf
[8] https://www.phrma.org/alzheimer-s-medicines-setbacks-and-stepping-stones