

Crapo Statement at Hearing on the Inflation Reduction Act's Health Care Provisions

September 17, 2024

Washington, D.C.--U.S. Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) delivered the following remarks at a hearing entitled, "Lower Health Care Costs for Americans: Understanding the Benefits of the Inflation Reduction Act."

"Thank you, Mr. Chairman.

"Before I begin my remarks, I would like to take moment to welcome Theo Merkel back to the Finance Committee.

"Theo served on staff for our former colleague Senator Pat Toomey, and we are grateful he is able to join us once again today.

"Over the course of the current Administration, Americans have experienced persistent economic headwinds, from slow job growth to consistently high inflation and dwindling consumer purchasing power.

"Everyone on this dais agrees that health care access and affordability demand urgent action, including by Congress.

"This Committee has proven that bipartisan consensus and deliberative policymaking can yield real solutions, from driving down prices at the pharmacy counter to ensuring patients can confidently select a mental health provider who fits their needs.

"Unfortunately, the IRA took the opposite approach, advancing top-down, problematic program overhauls through a rushed, partisan process that sidelined the minority and ignored constructive input.

"This hearing provides an opportunity not only to assess the flaws of this process, but also to chart a more productive path moving forward.

"Two years ago, my Republican colleagues and I joined patient advocates, small businesses and frontline providers in warning of the destructive nature of price controls on domestic manufacturing, drug development and American leadership on the global stage.

"The law's results to date suggest we should have struck an even more cautionary tone.

"From a national security standpoint, as China supercharges its biopharmaceutical sector, the IRA waves a white flag, treating American job creators like adversaries.

“Bureaucratic price fixing, under the guise of negotiation, may sound appealing, but it comes at a massive cost--particularly as firms begin to look elsewhere to launch new life-saving treatments.

“The implications for the therapeutic R&D pipeline are already apparent, with at least 21 drugs and 36 research programs discontinued since the law’s enactment.

“Even for approved drugs, delays and denials in care have started to skyrocket—and yet the Biden-Harris Administration inexplicably excluded medications from its prior authorization reforms.

“For Americans with rare diseases, 95 percent of which lack an approved treatment, the IRA contains a rigid disincentive for finding new uses for existing orphan drugs.

“By providing preferential treatment to injectables and infused medicines, the law also systematically disadvantages capsules and pills, including oral cancer drugs, Alzheimer’s therapies, mental health medications and other clinical breakthroughs.

“Encouragingly, bipartisan Members have begun efforts to address these devastating outcomes and other consensus-based improvements will undoubtedly follow.

“After all, the strongest and most enduring Medicare enhancements have always attracted support from across the political spectrum. To that end, virtually all Republicans have long favored an out-of-pocket cap for seniors’ medication spending.

“For insulin, it was President Trump who took action to ensure that all seniors with diabetes had access to plan options with copays of \$35 or less. In contrast, the IRA has resulted in plans actually tightening access to diabetes drugs.

“The Administration’s reliance on heavy-handed government intervention has also triggered annual premium increases, which have been hidden from consumers by subsidies and legally dubious programs.

“By doubling down on the costly and inflationary-enhanced premium tax credits, the IRA uses hardworking taxpayer funds to camouflage the ongoing flaws in the individual health insurance market.

“The Congressional Budget Office notes permanently extending these enhanced subsidies, which have contributed to growing waste, fraud and abuse, would increase the deficit by \$325 billion over ten years.

“Instead of perpetuating a tax-and-spend agenda, we can and should work together to improve health care choice, affordability and reliability.

“Last year, we demonstrated the capacity to do so--and we should continue taking steps to enact our Committee’s bipartisan reforms.

“The IRA, however, misdiagnosed the problem and prescribed bureaucratic, big-government, misguided solutions. Seniors deserve better.”