

## **Crapo Statement at Hearing on Prescription Drug Pricing**

*March 16*

**Washington, D.C.**--U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing entitled, "Prescription Drug Price Inflation: An Urgent Need to Lower Drug Prices in Medicare."

*The text of Ranking Member Crapo's remarks, as prepared, is below.*

"Thank you, Mr. Chairman, and thank you to all of our witnesses for being here today.

"Congress plays an important role in ensuring access to affordable prescription drugs for Americans from all walks of life. To that end, last year, I reintroduced the Lower Costs, More Cures Act.

"This comprehensive legislation contains dozens of concrete proposals aimed at lowering out-of-pocket costs at the pharmacy counter, in addition to strengthening supply chain oversight and combating foreign freeloading. With inflation at forty-year highs, straining family finances for far too many Americans, the Lower Costs, More Cures Act would bring peace of mind to seniors across the nation by placing a hard cap on out-of-pocket drug spending under Medicare Part D.

"Our bill would allow beneficiaries to access additional Part D plan choices, including low-deductible and reduced cost-sharing options, as well as plans that pass more discounts directly to consumers at the pharmacy counter. For seniors with diabetes, we would build on the work of the Trump Administration, which established a game-changing program that guarantees access to insulin at no more than \$35 a month. Our legislation would permanently protect and extend this initiative, which already covers more than two in every five seniors enrolled in Part D.

"Nearly two decades ago, I joined bipartisan majorities in both chambers in voting to enact Medicare's prescription drug benefit. Since then, Part D has achieved incredible success, coming in at half of its projected cost, with stable premiums, high satisfaction rates, and more than fifty plan options for the average enrollee.

"The Lower Costs, More Cures Act would build on these successes, advancing scores of pro-patient solutions for Medicare and the broader prescription drug market. Our legislation would strengthen cost comparison tools, remove disincentives for prescribing lower-cost medications, enlist a Chief Pharmaceutical Negotiator to drive better trade deals for Americans, and facilitate outcomes-based arrangements for cutting-edge therapies, to name just a few key provisions.

"Importantly, all of these solutions could pass both chambers of Congress with overwhelming support. Virtually every provision in the Lower Costs, More Cures Act reflects a bipartisan proposal with broad buy-in across the political spectrum. This bill, if

allowed to advance, could head to the President's desk within days, delivering meaningful relief to Americans.

"Unfortunately, all signs seem to indicate a partisan path forward on drug pricing, based on the deeply problematic policies included in the House-passed Build Back Better Act. These proposals would impose bureaucratic government price controls with a host of bad consequences for consumers, patients, and small businesses.

"According to a recent study from University of Chicago researchers, innovative R&D would decline by nearly one-fifth under these proposed price controls, leading to a staggering 135 fewer new drug approvals in the next two decades.

"Another report found that Medicare payments for physicians and other frontline health care providers would also fall under the proposed government price-setting program, with add-on payments slashed by an average of 40 percent for those targeted. These policies, which borrow from the failed experiments of the past, would do nothing to tame inflation. In fact, they would trigger higher launch prices for new medications.

"By enacting these drug price controls, we would hand a competitive edge to our global rivals, including the Chinese Communist Party. At home, we would see fewer new treatments and cures, higher prices for new drugs, more health care provider strain and burnout, and an alarming expansion of the federal bureaucracy, giving Washington, D.C. more control over our health care system.

"We have a responsibility to pursue solutions that reduce out-of-pocket drug spending, particularly for seniors. The Lower Costs, More Cures Act provides a practical blueprint for this type of initiative, leveraging targeted policies with bipartisan backing to address the needs of Americans at the pharmacy counter, the hospital, and the doctor's office.

"In the weeks ahead, we should move toward consensus-driven legislation with broad buy-in, rather than partisan price controls likely to double down on the most deficient aspects of our health care system.

"We also need to identify policies that tackle the root causes and drivers of inflation, which rose to a staggering 7.9 percent rate, year-over-year, last month. This means reducing our crippling deficit; unleashing American energy; streamlining costly regulations that have strained small businesses; and protecting the tax reforms implemented under the Tax Cuts and Jobs Act of 2017, which led to record-high levels of business investment, historic lows in unemployment and poverty, and record-high incomes during the past Administration.

"With that, I thank our witnesses again for joining us and testifying today. Thank you, Mr. Chairman."

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