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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

January 30, 2025

Mr. Kennedy:

During your January 29th confirmation hearing before the Senate Finance Committee, you seemed to suggest that, as Secretary, you would use the Inflation Reduction Act's Medicare drug price negotiation provisions to secure lower drug prices for American seniors. The Centers for Medicare & Medicaid Services (CMS) also released the following statement yesterday morning: "Lowering the cost of prescription drugs for Americans is a top priority of President Trump and his Administration."

The first Trump Administration made big promises on drug pricing and failed to deliver results. Democrats did more than just talk. We acted by finally giving Medicare the ability to negotiate lower drug prices. As a result of the *Inflation Reduction Act*, which passed without a single Republican vote, Medicare drug price negotiation is a powerful tool available right now to President Trump to make good on his long-standing promise to stand up to Big Pharma.

If confirmed as Secretary, you will be under tremendous pressure to cave to Big Pharma and undermine Medicare drug price negotiation. Republicans have worked in lock-step with Big Pharma by relentlessly attacking Medicare drug price negotiation at every turn. Now, Republicans have unified control of the federal government. They will undoubtedly try to leverage this power to walk back the progress Democrats made to lower drug prices through this important new authority. Contrary to what you suggested in today's hearing, the Trump Administration's statement is *far* from an embrace of drug price negotiation and appears to be opening the door to changes that could undermine Medicare's ability to get the best price possible on drugs.

Many people believe that lowering costs was a core issue of the 2024 election. Few health policies offer a greater opportunity than Medicare drug price negotiation for the Trump Administration to directly lower costs for the American people. On behalf of the tens of millions of Americans who count on Medicare, Democrats on the Senate Finance Committee want to know whether the Trump Administration will follow through on negotiating with Big Pharma to deliver the lower costs promised to the American people.

The following Questions for Record are an opportunity for you to clarify your position and that you will stand with Americans who count on Medicare over Big Pharma.

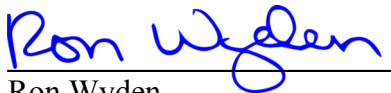
Medicare Drug Price Negotiation Questions for the Record

1. On December 4, 2024, you and President Trump dined with Albert Bourla (CEO of Pfizer), Dave Ricks (CEO of Eli Lilly), and Steve Uhl (CEO of PhRMA) at Mar-a-Lago. Was Medicare drug price negotiation discussed during this dinner?
 - a. If yes, what specifically was discussed?
 - b. If no, have you fielded any subsequent inquiries from pharmaceutical companies requesting changes to how Medicare negotiates drug prices?
2. Will you confirm, in writing, that you are committed to using Medicare drug price negotiation to get the best deal possible for seniors and people with disabilities on prescription drug prices?
3. Big Pharma's request to "pause" negotiation is clearly unlawful, especially given the specific duties and timelines for the Secretary under the Inflation Reduction Act's negotiation provisions. Please confirm in writing that you will follow the law and reject Big Pharma's request to pause Medicare drug price negotiation.
4. Will you commit to rejecting use of demonstration authorities, such as those under Section 402 and Section 1115A, to change Medicare drug price negotiation in a manner that would increase drug costs for seniors and people with disabilities, reduce the number of drugs eligible for negotiation, or delay negotiations on certain drugs?
5. Will you commit to rejecting changes to the Medicare drug negotiation guidance that would increase drug costs for seniors and people with disabilities, reduce the number of drugs eligible for negotiation, or delay negotiations on certain drugs?
6. In your role as Secretary, you would advise President Trump on major health policy issues before Congress. Would you recommend that President Trump oppose legislative changes to Medicare drug price negotiation that would increase drug costs for seniors and people with disabilities, reduce the number of drugs eligible for negotiation, or delay negotiations on certain drugs?
7. Would you recommend to President Trump that the Trump Administration defend Medicare drug price negotiation against attacks by Big Pharma and its allies in court?
8. Will you make experts in the U.S. Department of Health and Human Services (HHS) available to the U.S. Department of Justice (DoJ) to ensure continued defense of the law and otherwise ensure appropriate coordination between HHS and DoJ?
9. Under the law's Medicare drug price negotiation provisions, Medicare can negotiate lower prices on small molecule drugs seven years after those drugs have been approved by FDA—with lower negotiated prices taking effect in Medicare after nine years. One of the items on Big Pharma's policy wish list is to delay seniors' and other beneficiaries' access to lower prices on small molecule drugs until such drugs have been on the market

for 13 years. Do you oppose delaying beneficiaries' access to lower Medicare-negotiated prices on these medicines?

10. Another item on Big Pharma's policy wish list is to reduce the number of drugs eligible for negotiation by changing the definition of "qualified single source drug." Would you oppose changes to or reinterpretations of this definition that would reduce beneficiaries' access to lower negotiated prices?
11. As you know, no Republican voted in favor of Medicare drug price negotiation when the law passed in 2022, and Republicans have been steadfast in their opposition ever since. At our hearing, you seemed to express support for Medicare drug price negotiation. Do you disagree with Republicans on this issue?
12. This month, House Republicans circulated a survey of policy options for their reconciliation package. The survey asked for member feedback on adding up to \$20 billion to our deficit to "Reform IRA's Drug Policies." Republicans appear to be considering providing a massive multi-billion handout to Big Pharma on the backs of taxpayers, seniors, and people with disabilities. Would you encourage President Trump to oppose including Big Pharma IRA handouts in the Republican reconciliation package?

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



Maria Cantwell
United States Senator



Michael F. Bennet
United States Senator



Mark R. Warner
United States Senator



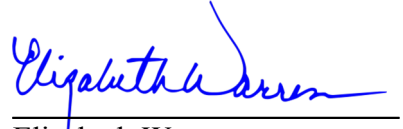
Sheldon Whitehouse
United States Senator



Margaret Wood Hassan
United States Senator



Catherine Cortez Masto
United States Senator



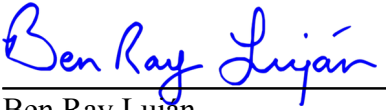
Elizabeth Warren
United States Senator



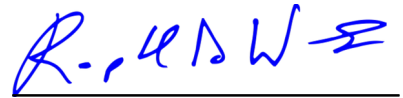
Bernard Sanders
United States Senator



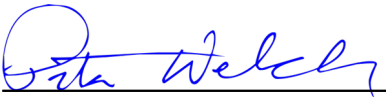
Tina Smith
United States Senator



Ben Ray Lujan
United States Senator



Raphael Warnock
United States Senator



Peter Welch
United States Senator