PATEL FAMILY INVESTMENTS, LLC

May 12, 2025

The Honorable John Curtis
United States Senate
Washington, D.C. 20510

Dear Senator Curtis,

As Congress prepares to draft a reconciliation package, the undersigned organizations, dedicated to improving patients' lives, are concerned that a "Most Favored Nation" (MFN) drug pricing proposal could be considered for Medicaid and/or Medicare. Such a policy, which we urge you to reject, would disrupt patient access to important medications and jeopardize investment in next generation cures.

While we look forward to working with Congress and the Administration to level the playing field for drug pricing abroad, lower U.S. drug prices, boost domestic pharmaceutical manufacturing, and unleash American innovation to develop new treatments, MFN pricing will not advance these goals.

To the contrary, MFN is a deeply flawed proposal that would significantly weaken our nation's biopharmaceutical and biotechnology sectors, taking as much a $1 trillion out of drug development. Small- and mid-size biotechnology companies, which make up the majority of Utah's pharmaceutical footprint, would be especially hit hard as investors think twice about financing novel drug candidates. Many of these companies are working to address some of our nation's most challenging diseases, including MS, ALS, Hunter Syndrome, cancer, and more.

Patients would also bear the brunt of importing price controls from foreign countries. Since 2010, 110 medicines that have been approved in the U.S. remain out of reach of patients in Europe, due its socialized medicine model of care. In addition, most foreign prices are governed by price controls that are based on the use of systems such quality-adjusted life years (QALYs).

Studies have shown that countries that use QALYs have severe restrictions on patient access to innovative medicines otherwise available in the U.S.

Some of our most vulnerable populations, such as rare disease patients, could lose access to critical treatment options. One study has shown that between 2002 and 2014, 40% of medicines that treat rare diseases were rejected for coverage in the United Kingdom.[1]

The Medicaid Drug Rebate Program has helped bring hundreds of revolutionary therapies to underserved and rare disease patients while maintaining incentives for continued R&D. In fact, Medicaid already collects more in rebates than it spends on prescription drugs annually, and many companies provide medicines to Medicaid beneficiaries for less than it costs them to produce their drugs. Layering onto rebates an MFN pricing system would not only stall further research, but make it difficult for drug manufacturers to continue to offer patients the medications they need.

In 2019, the Congressional Budget Office found that H.R. 3, the *Elijah E. Cummings Lower Drug Costs Now Act,* which included a form of foreign price indexing, would have resulted in nearly 40 fewer medicines brought to market over the next two decades.[2] As we seek to sustain and spur U.S. leadership in bioscience, MFN drug pricing poses too great a risk to patients and the economy.

Lowering drug prices involves an examination of the entire drug supply chain, and in particular, passage of legislation to reign in the abusive practices of pharmacy benefit managers (PBMs). PBM reform, recently referenced in President Trump's April 15 Executive Order, is urgently needed to preserve our community pharmacists and help drive down the cost of drugs.

Utah is home to a burgeoning drug discovery hub that holds so much promise for patients and economic growth in the state. We urge you to carefully evaluate policies that could upend this momentum.

Thank you.

Sincerely,

Ark Insurance Solutions
BioUtah
Centro Civico Mexicano
Mental Healthy F.i.T. Utah
Patel Family Investments, LLC
Rare & Undiagnosed Network
The Apothecary Shoppe
Utah Academy of Family Physicians
Utah Hemophilia Foundation
Utah Pharmacy Association

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[1] Mardiguian, S., Stefanidou, M., et al. "Trends and key decision drivers for rejecting an orphan drug submission across five different HTA agencies." Value in Health Journal. 2014. https://www.valueinhealthjournal.com/article/S1098-3015(14)03070-8/fulltext

[2] Budgetary Effects of H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act," CBO. December 10, 2019. Available at: https://www.cbo.gov/system/files/2019-12/hr3_complete.pdf