



June 10, 2021

Dear Senator Thune, Senator Rounds and Representative Johnson,

We are writing today to share our concerns with HR3 and to respectfully ask that you oppose this legislation. Not only does HR3 impose foreign-based government price controls it could also threaten access to medication and deliver a blow to medical innovation and jobs while doing little to address patient affordability.

If signed into law, HR3 would bring about government price controls based on what foreign countries pay. Often, other countries base prices on value assessments that discriminate against the disabled, elderly and chronically ill. Patients in those countries also experience restricted access to new and innovative medications and treatments. For instance, nearly 90% of new medicines launched between 2011 and 2018 are available in the U.S. compared to 59% in the U.K, 50% in France and just 36% in Australia. Further, there is an average lag of 18-months when cancer drugs are available in the U.S. versus other developed countries.

The COVID19 pandemic has shown us the incredible advances we can make when we prioritize investment in medical research and development. HR3 could deliver a blow to continued medical advances by eroding incentives that are critical to supporting investments into research and development in some of the most complex and costly diseases like Alzheimer's, ALS, Parkinson's and others.

Further, HR3 will impact the larger economic benefits of the biomedical industry. Currently a total of 4 million American jobs across the economy are associated directly and indirectly with high-wage, STEM-critical areas. HR3 threatens those jobs, as one analysis projects that HR3's implementation could result in the permanent loss of nearly 1 million high-paying U.S. jobs.

HR3 does little to address patient affordability while potentially restricting access to needed medications and slowing critical research in complex diseases. The Congressional Budget Office maintains that government price controls will not provide a reduction in costs unless access to certain medications is also restricted. Patients in South Dakota and across the country deserve better. We urge you and your colleagues to work toward achievable goals in creating greater affordability for patients to ensure that deductibles and high out-of-pocket costs do not obstruct patient care.

Sincerely,

A handwritten signature in black ink that reads "Joni Johnson".

Joni Johnson
Executive Director
South Dakota Biotech Association

A handwritten signature in black ink that reads "David Owen".

David Owen
President
South Dakota Chamber of Commerce and
Industry