

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Ranking Member Frank Pallone, Jr.**

***Hearing on “At What Cost: Oversight of How the IRA’s Price Setting Scheme Means Fewer Cures for Patients”***

**September 20, 2023**

Let me just start out by saying please don't pay any attention to anything that the Republicans are saying. They don't care about innovation. They don't care about whether people can buy the drugs or not. They're just doing the bidding of the pharmaceutical companies. I have no idea why. I'm not going to suggest why, but that's what this hearing is all about – doing the bidding of the pharmaceutical companies.

Other countries, go to the other countries that are developed like us—Japan, the UK, France—the drugs are so much cheaper, sometimes four or five times cheaper. People have access to drugs, people have access to health care.

What's happening is that this country's health care system is broken and it's not easy to have access. It's not affordable. This is the problem.

And a big part of that is Big Pharma, because 20, 30 years ago people didn't depend so much on drugs if they were sick or they needed to get care. But today it's such a big part of their budget, of their health care budget.

If we don't do something, more and more people are not going to have access to drugs. There would be less innovation because of where we're going, not because of the Inflation Reduction Act, but because all of the other things that Republicans are trying to do to cut back on Medicaid, to repeal the ACA, the list goes on.

So please understand that this is nothing more than an opportunity for the drug companies to come here and say why they're wonderful and why they care about everyone. And the only thing they care about is the bottom line, how much money they're going to make.

We're only in this mess, and I was here, I don't know how many other people were because two decades ago, the Congressional Republicans barred the federal government from negotiating prices on behalf of Medicare beneficiaries.

If they hadn't barred and done the bidding of Big Pharma then, then the government could negotiate prices like any other government does, and you know, other developed countries that are comparable to us.

But they specifically said that they couldn't negotiate prices because they wanted to make sure that the pharmaceutical companies made more money and their executives and their shareholders. That's what this is all about.

The Inflation Reduction Act finally brought an end to that, lowering costs and making life saving medicines more affordable for Americans by empowering the government to finally negotiate prices for the most expensive drugs for Medicare beneficiaries.

And what we should be doing is putting up a bill, which myself and others have sponsored, which take this beyond Medicare to the private market.

And we'll do that. You know, when we're in a position as Democrats to take this same legislation that was in the Inflation Reduction Act and move it so it applies to private industry, to private insurance companies, to the ACA and everything else.

That's what we need to do, expand this. This is a great idea to try to negotiate lower prices that can be applied outside the Medicare market.

And I pledge as long as I'm here, that's my goal. So understand that.

Now let me just say I'm not going to go through all the different reasons and how much money we save. I just have to say this, that for a party, the Republicans have shown itself willing to shut down the government under the auspices of creating savings. I would expect them to celebrate the Inflation Reduction Act's cost-saving provisions. The nonpartisan Congressional Budget Office estimates that Medicare drug price negotiation will save the government and taxpayers \$98.5 billion over the next 10 years.

We're not going to let them get away with repealing this. We're not going to let them get away, to get the courts to say it's unconstitutional. We will fight tooth and nail.

The Biden administration is moving full steam ahead with the implementation of the law. Last month, the administration announced the 10 drugs. There'll be more. In fact, I wanted it to be more—we had to cut back on it.

But if you look at the bill that we've introduced, we would increase the numbers on an annual basis that would be selected for negotiation.

Again, I don't want to go into more details about, how much money this saves or what it does. I just think it's very sad that Republicans have firmly aligned themselves with the drug industry or bringing outlandish legal challenges against the Biden administration in desperate attempts to block the law and preserve their ability to rip off Americans.

Republicans know that this massively popular drug pricing reform will only gain more support as families across the country continue to experience the savings that it creates. This is just going to be like the ACA. The more people find it, the more people will love it.

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And then the Republicans won't be able to repeal it anymore. So let's move on. Let's expand this.

Let's not buy into the nonsense that's being sold today that somehow this is going to, you know, limit innovation or make it more difficult for people to access drugs.

That's just a misinformation campaign that they're going to continue with, but they'll lose.

Thank you, Mr. Chairman