

July 11, 2019

The Honorable Rick Scott
716 Hart Senate Office Building
Washington, DC 20510

Dear Senator Scott,

Thank you for your letter and continued interest in prescription drug issues. Today, medicine costs are decelerating in the U.S. and drug prices fell 0.6% in 2018, the largest decline in prices in 46 years. In addition, historic numbers of generic medicines were approved over the last few years, saving Americans \$26 billion. Further, a pending proposal from the Department of Health and Human Services to provide negotiated rebates to Medicare Part D beneficiaries at the pharmacy counter could start lowering American seniors' drug costs in January 2020 if finalized.

Despite the progress that has been made recently in these and other areas, I recognize that many Americans still struggle to afford their prescription medicines. PhRMA is committed to continuing to work with Congress to find meaningful market-based solutions to address affordability issues for patients. PhRMA representatives and member company CEOs have testified before the House and Senate on several occasions this year at hearings focused on drug pricing, intellectual property, and transparency.

In addition, we have been actively engaged with the Senate Judiciary Committee as part of their efforts to enact changes to intellectual property laws in order to appropriately enhance competition without reducing important incentives for innovation. We have also been in regular communication with the Senate Committees on Finance and Health, Education, Labor and Pensions (HELP) as they are working on programmatic changes to Medicare and Medicaid, in addition to transparency and other key systemic reforms to the healthcare system.

Recently, the Judiciary and HELP Committees advanced several bipartisan pieces of legislation in these policy areas. Further, as you may know, your colleagues in the House of Representatives have also been considering a number of healthcare reforms, such as changes to intellectual property laws, transparency, and updates to government programs like Medicare.

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I appreciate your passion and desire for finding real solutions to help patients in Florida and around the country. I am committed to working with you and others on driving towards solutions that make medicines more affordable and accessible to Americans, while increasing transparency of all health care. At the same time, ensuring that tomorrow's patients have the promise of new innovative therapies is an equally important goal. Our industry is committed to solutions that balance the goals of affordability and innovation. But, maintaining that balance relies on sound policies that don't rely on government price-setting and government intrusion in the market.

I look forward to continuing to engage with you and your team and would welcome an opportunity to discuss our ideas further.

Sincerely,



CC: Senator Josh Hawley
Senator Marco Rubio
Senator Ron Johnson
Senator Mike Braun
Senator Kevin Cramer
Senator Cindy Hyde-Smith
Senator Dan Sullivan