

August 10, 2022

## **POLICY STATEMENT ON THE IMPACT OF PRICE NEGOTIATIONS ON INNOVATION, HEALTHY AGING AND EQUITY**

As the CEO of the Global Coalition on Aging (GCOA) and a newly formed cross-sector Alliance for Health Innovation, we write to express our deep concern with the current legislation that allows for price “negotiations” in Medicare – a thinly veiled signal for America’s plunge into price controls that will have a devastating and adverse impact on biopharmaceutical innovation and our nations’ ability to support healthy aging.

As expressed in the piece, [Congress Must Support Innovation, Not Pick Winners and Losers](#), drug price controls for Medicare sends confusing signals to patients, caregivers, and investors on the importance of medical innovation.

*“Confoundingly, it is our Medicare population, the fastest growing segment of patients, that is most dependent on innovation to address diseases from HIV and cancer to osteoporosis and Alzheimer’s.”*

Additionally, the legislation itself is peculiarly at odds with the Administration’s renewed Cancer Moonshot initiative, announced as recently as this year’s 2021 State of the Union Address. In that spirit and to ensure limited adverse impact on such future innovation for the health and wellbeing of older adults and all Americans, GCOA and the Alliance for Health Innovation strongly suggest three policy principles accompany any such final legislation that may result in the next days:

- 1. All Medicare “price negotiations” should take place through the screen of its impact on healthy aging & equity.**

Those administering and overseeing these “price negotiations” must be required to provide to Congress such impact prior to any implementation. Since Medicare will increasingly become a monopsony purchaser as a consequence of the aging of America’s population in our 21<sup>st</sup> century, the impact will become ever more profound over time and the ensuing responsibilities to show impact ever greater. Healthy aging and equity are impossible without the innovation itself that will enable such patient and caregiver needs.

- 2. HHS & CMS must demonstrate a commitment to transparency & openness in the process for implementing the “Medicare price negotiation” provision.**

CMS and its parent agency HHS must demonstrate a full commitment to

transparency and openness in how it will undertake such a transformational new set of responsibilities. Such transparency is essential so that patients, caregivers, investors, and scientists involved in the biopharmaceutical process across America have a full ability to reflect and communicate the impact it will have on them. CMS has an obligation to ensure open and full dialogue with the ability to partner across society on the impact.

**3. The legislation should require a report to Congress on the effects of “price negotiations” on innovation, access & equity.**

Since the prevalence of the diseases of aging increase as 21<sup>st</sup>-century longevity rises and the fiscal burden grows as the proportion of America’s old outnumbers its young, the economic and fiscal consequences will only be mitigated with a reliable continued flow of new biopharmaceutical innovation. Therefore, any administration of “Medicare price negotiations” must be accompanied by an analysis of the effects on innovation today and in the future. Moreover, such an impact must be done through a full, open, and transparent process that includes society-wide stakeholder input, understood through the lens of equity and healthy aging goals.

On behalf of GCOA and the Alliance for Health Innovation, we appreciate the ongoing efforts to improve access and affordability for older adults and all Americans and stand ready to work alongside Congress and the Administration to ensure these principles accompany any such final legislation.

Sincerely,



Michael W. Hodin, PhD  
CEO