

September 21, 2021

Stephen Ubl
President and Chief Executive Officer
Pharmaceutical Research and Manufacturers of America
950 F St NW
Washington, DC 20004

Dear Mr. Ubl:

Today, People's Action and its member leaders traveled across the country to PhRMA Headquarters because we are fed up with Big Pharma's meddling in our democracy and influence in Congress. Nearly one in four Americans taking prescription drugs have trouble affording their medications.¹ People regularly skip doses or don't fill prescriptions that they need because they are too expensive. This results in pain and suffering, further compromised health conditions, and even death. Most people agree this is unacceptable. Eighty percent of adults in the U.S. believe prescription drugs are unreasonably expensive, and almost 90 percent of U.S. adults support allowing the government to negotiate drug prices.² But because of the greed and lobbying by organizations like yours, our elected officials are coerced into defending the high costs of prescription drugs, rather than defending their constituents who desperately need their medications.

Elected officials are parroting your talking points: the high prices of prescription drugs are necessary to promote innovation and the development of new medications. This is a lie. A July review by the House Committee on Oversight and Reform found that projected spending on stock buybacks and executive compensation by top pharmaceutical corporations will amount to **more than twice** the savings the Congressional Budget Office estimated for the proposed drug price negotiation legislation.³ In addition, a recent study from West Health and Bentley University's Center for Integration of Science and Industry suggests that reducing drug prices won't slow innovation if resources are strategically managed.⁴ Finally, the vast majority of new drugs being developed are funded at least partially with taxpayer dollars.⁵ This means we pay for

¹ *Health Tracking Poll: Prescription Drugs*, Kaiser Family Foundation, February 2019.

² *Public Opinion on Prescription Drugs and Their Prices*, Kaiser Family Foundation, June 2021.

³ *Drug Pricing Investigation: Industry Spending on Buybacks, Dividends, and Executive Compensation*, U.S. House of Representatives Committee on Oversight and Reform, July 2021.

⁴ *Will Reducing Drug Prices Slow Innovation?*, West Health Policy Center and Bentley University, August 2021.

⁵ *Government as the First Investor in Biopharmaceutical Innovation: Evidence From New Drug Approvals 2010–2019*, Institute for New Economic Thinking, September 2020.

medications twice: once as taxpayers during the research and development stage, and again as consumers after drug companies drive up their prices.

Organizations like yours, whose sole job it is to represent the interest of corporations, are trying to force policy makers into a **false choice** between affordable drugs for millions of Americans now, or the continued development of new medicines in the future.

People's Action, a national network of 40 state and local grassroots power-building organizations representing millions of poor and working people, and our undersigned partner organizations, are calling on Pharmaceutical Research and Manufacturers of America to cease lobbying efforts against prescription drug price negotiation and other legislative and regulatory avenues of lowering prescription drug costs. People's health and lives are on the line.

Sincerely,

People's Action

American Family Voices
American Federation of Teachers
Avondale ACTion: An Indivisible Organization
Citizen Action of Wisconsin
Connecticut Citizen Action Group
Down Home North Carolina
Health Care Voices
Health Care Voter
Hometown Action
Hoosier Action
Indivisible Northern Nevada
Iowa Citizens for Community Improvement
Maine People's Alliance
Missouri Jobs with Justice
New Jersey Organizing Project
New Hampshire Rights & Democracy
ONE Northside
ParentsTogether Action
Progressive Maryland
Public Citizen
R2H Action
San Francisco Rising

Social Security Works
Sunrise Movement
United Vision for Idaho
Vermont Rights & Democracy
West Virginia Citizen Action Group
West Virginians for Affordable Health Care