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The Honorable Kyrsten Sinema U.S. Senate 317 Hart Senate Office Building Washington, DC 20510

Dear Senator Sinema,

As proud Arizonans, we appreciate your commitment to address the high cost of prescription drugs and to make quality health care affordable to all. Your leadership on this issue is more critical than ever as comprehensive prescription drug pricing reform is moving quickly through Congress.

Today, we write to urge you to commit to joining the majority of people in our state in supporting federal policy that lowers drug prices through Medicare negotiation and ensures greater affordability of prescription drugs for all of America's families who are covered under Medicare, job-based insurance, and marketplace plans. These policies, with broad support from Arizonans across the political spectrum, would cut costs for businesses and protect the health and financial stability of families without sacrificing medical innovations. With your support, Congress can finally break through the stalemate on this issue and give everyday Arizonans much needed relief from skyrocketing prescription drug prices.

**Lowering the cost of prescription drugs will not inhibit innovation.** A recent U.S. House Committee on Oversight and Reform report found that between 2016 to 2020, the 14 leading drug companies spent almost 10 times more on stock buybacks and dividends than on research and development (R&D).<sup>1</sup> Further, a significant proportion of reported R&D spending went towards extending patents for existing drugs rather than creating new drugs.<sup>2</sup>

At the same time, American taxpayers continue to be major financers of pharmaceutical innovations. Our tax dollars funded the research underlying *every* drug developed from 2010 to 2019, totaling more than \$230 billion.<sup>3</sup> Notably, Arizonans recognize that lower prescription drug prices do not come at the expense of innovation. Only 13 percent of Arizona voters agreed with the statement, "by letting Medicare dictate prescription drug prices, we will undercut drug companies' ability to innovate and develop new drugs."<sup>4</sup>

Simply put, drug industry talking points don't reflect the need and feelings of Arizona's families and voters.

- <sup>2</sup> https://familiesusa.org/wp-content/uploads/2021/08/RX-2021-209\_Innovation-Drug-Pricing-Issue-Brief.pdf
- <sup>3</sup> Ibid.

<sup>&</sup>lt;sup>1</sup> <u>https://oversight.house.gov/news/press-releases/chairwoman-maloney-releases-staff-report-showing-pharmaceutical-industry-spends</u>

<sup>&</sup>lt;sup>4</sup> https://www.protectourcare.org/health-care-advocates-and-elected-officials-in-arizona-delaware-new-jersey-west-virginia-react-to-new-polls-showing-strong-support-for-prescription-drug-reform/

**Lowering prescription drug prices will bolster American businesses and strengthen our economy.** Research finds that enacting comprehensive prescription drug pricing reform would reduce employersponsored insurance costs by more than \$240 billion over the next decade.<sup>5</sup> Similarly, according to the Congressional Budget Office's score of H.R. 3 in 2019, enacting comprehensive reform inclusive of Medicare price negotiation would save federal taxpayers more than \$482 billion over ten years.<sup>6</sup> Arizona families will be better off when Medicare negotiation is enacted into law, which will reduce costs not only for Medicare beneficiaries, but for those enrolled in job-based coverage and covered under marketplace plans. Without your support, employers, workers, patients, and families will continue to be burdened by ever increasing prescription drug costs.

Allowing Medicare to negotiate drug prices has bipartisan support among Arizona voters. 72 percent of voters in Arizona agreed with the statement "we should allow Medicare to negotiate with drug companies to make drugs and medication more affordable to patients."<sup>7</sup> The policy is widely popular among Arizona Democrats (81 percent in support), Independents (67 percent in support), and Republicans (66 percent in support).<sup>8</sup>

**The cost of inaction is far too high for Arizona families.** According to a 2017 nationwide survey, the high cost of prescription drugs prevented 26 percent of Arizonans from being able to take their medications as prescribed.<sup>9</sup> Notably, this survey was performed before the pandemic claimed more than 18,000 lives and left many unable to work. As your constituents, we know that our health and wellbeing is on the line. Arizona voters on all sides of the aisle agree with the statement "lowering prescription drug prices should be a top priority": 79 precent of Arizona Democrats, 61 percent of Independents and 59 percent of Republicans.<sup>10</sup>

Your support is critical to meeting this pivotal and urgent moment. We look forward to working with you to pass comprehensive drug pricing reform legislation that responds to the needs of the Grand Canyon State, as well as all of America's families, patients, older adults, workers, businesses, and employers.

Sincerely,

Arizona Head Start Association Arizona Public Health Association Arizona Rural Health Association Child and Family Resources, Inc. Children's Action Alliance Communications Workers of America and CWA Local 7000 Empowerment Systems Make Way for Books Native American Connections Progress Arizona SandRose, LLC

<sup>8</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> https://www.cidsa.org/publications/commercial-savings-generated-by-medicare-negotiation-under-h-r-3

<sup>&</sup>lt;sup>6</sup> <u>https://www.cbo.gov/publication/55936</u>

<sup>&</sup>lt;sup>7</sup> <u>https://www.protectourcare.org/health-care-advocates-and-elected-officials-in-arizona-delaware-new-jersey-west-virginia-react-to-new-polls-showing-strong-support-for-prescription-drug-reform/</u>

<sup>&</sup>lt;sup>9</sup> <u>https://familiesusa.org/wp-content/uploads/2021/06/RX-2021-162\_High-Rx-Prices-Hurting-Consumers-Impact-By-State-Fact-Sheet.pdf</u>

<sup>&</sup>lt;sup>10</sup> https://s8637.pcdn.co/wp-content/uploads/2018/09/WHI-Arizona-Poll-Report-FINAL.pdf.