

# AFL-CIO

## LEGISLATIVE ALERT

December 11, 2019

Dear Representative:

On behalf of the AFL-CIO, I strongly urge you to vote in support of the Elijah E. Cummings Lower Drug Costs Now Act (H.R. 3). This transformative legislation will sharply reduce prescription drug prices, and it invests drug cost savings into Medicare benefit improvements for retirees and other critical health care needs.

Unfortunately, millions of Americans lack affordable access to medicines, and excessive drug prices continue to increase year after year. Three in ten adults report that they were unable to take their medicines as prescribed at some point in the past year because of the cost, often worsening their medical condition, according to the Kaiser Family Foundation. Yet according to AARP, the average annual cost of prescription drugs rose nearly 58 percent between 2012 and 2017. Prices in 2019 increased for 3,400 drugs on the market, with an average price increase of 10.5 percent, a rate roughly five times the inflation rate, according to the health plan consultant group Rx Savings Solutions.

The Lower Drug Prices Now Act takes bold action to address this relentless rise in drug prices. It establishes a fair drug price negotiation program to reduce the cost of expensive medications that lack adequate competition in the marketplace. Each year, the Department of Health and Human Services will negotiate prices for up to 250 of the drugs that incur the greatest expense to Medicare and the larger health care system. Importantly, this program will both lower costs for people in the Medicare program and make lower prices available for those with job-based insurance. H.R. 3 also requires drug corporations to cap annual drug price increases to the rate of inflation or face penalty payments to the Medicare program, thereby reducing average drug prices. These lower prices will reduce out-of-pocket costs at the pharmacy, lower insurance premiums, and save federal health care dollars.

H.R. 3 reinvests the estimated \$500 billion in federal savings in historic improvements to Medicare benefits and other important health care programs. Medicare Part D prescription drug coverage is substantially improved by the addition of a \$2,000 out-of-pocket maximum. Medicare benefits are further expanded by the inclusion of vision, dental, and hearing benefits. To help low-income seniors, the legislation expands subsidy eligibility to make premiums and out-of-pocket costs more affordable. Other investments in health care include \$7.7 billion to support community responses to the opioid crisis and \$10 billion for National Institutes of Health biomedical research toward the discovery of breakthrough drug therapies.

The Lower Drug Prices Now Act will provide crucial assistance to working families who are currently unable to afford the medicines they need, while simultaneously making important investments to address other health care priorities. We urge you to vote for this bill.

Sincerely,



William Samuel  
Director, Government Affairs

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**American Federation of Labor and Congress of Industrial Organizations**

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