



Robyn Boerstling

Vice President

Infrastructure, Innovation and Human Resources Policy

October 16, 2019

The Honorable Richard E. Neil
Chairman
Committee on Ways and Means
United States House
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

Health care costs have been rising too quickly for far too long for American families. The National Association of Manufacturers, the largest manufacturing association in the United States representing 14,000 manufacturers in every industrial sector and in all 50 states, appreciates your commitment and work to bring health care solutions to the table and stop this unsustainable trend that contributes to wage stagnation for workers and discourages other investments in the workplace.

Everyone agrees with the goal of reducing the costs of health care. The question is how to get there. As the committee examines potential solutions, we believe that the four pillars that have made America exceptional—free enterprise, competitiveness, individual liberty and equal opportunity—must guide that process. Effective solutions will require a comprehensive approach to the various forces that strain the system, recognizing the importance of innovation as a tool to reduce costs and improve health outcomes. With that in mind, we have deep concerns with the price-control approach to H.R. 3, the Lower Health Care Costs Now Act of 2019.

While well-intentioned, an orientation towards price controls would abandon a market-based core principle of the Medicare Part D program and act as a hidden tax on both manufacturers and innovation. Price controls of any kind are never a correct solution as they restrict supply, discourage competitiveness and undermine the free enterprise system that forms the bedrock of our economy and way of life. We should not employ the anti-competitive or restrictive practices of our overseas counterparts in the name of health care reform. The consequences, as noted by the preliminary CBO analysis of H.R. 3, would be reduced investments in research and development and fewer new, innovative drugs introduced to the U.S. market. The compromise of reduced innovation is a direct challenge to the pillars that make our economy strong and competitive.

We urge the committee to take additional steps to address inefficiency, affordability and transparency by focusing on outcomes and encouraging greater flexibility to drive down health care costs without abandoning market-based approaches.

Sincerely,

A handwritten signature in blue ink that reads 'Robyn M. Boerstling'.

CC: Members of the U.S. House Committee on Ways and Means