



S. 127: THE WRONG PRESCRIPTION AT A HIGH PRICE

Inflation is at record highs and drug companies are pushing their prices higher. American patients need relief and can't afford policies that would push drug costs higher.

Congress is considering legislation that would undermine patients' pharmacy benefits. Analysis has found that

S. 127 would add ten billion dollars or more to the annual federal deficit, and cost the U.S. economy tens of billions more.

The High Cost of S. 127

University of Chicago Professor Casey Mulligan recently testified before Congress on the high cost that S. 127 would have for patients, taxpayers and businesses:

- Provisions of S. 127 **may increase drug costs** for brand drugs **by as much as 52%**.
- The bill's requirements **may push American patients' premiums higher by as much as 31%**, as Americans already struggle to afford the cost of living.
- Other provisions of the bill may have the effect of **pushing patients off critical medications** they rely on, like insulin.
- S. 127 **could cost up to \$48 billion** by reducing competition in the health care market.
- In quantifying the bill's pharmacy DIR restrictions, Mulligan estimated that S. 127 would **add between \$8 billion and \$11 billion to the federal deficit every year**.
 - He wrote, "Disclosure requirements could impose **tens of billions of dollars** in annual net costs by discouraging competition among manufacturers, among pharmacies, and among PBMs."

What Stakeholders Are Saying

- **Ike Brannon, Senior Fellow, Jack Kemp Foundation:** "Congress should drop its attacks on Americans' pharmacy benefits and look for genuine solutions to the high prices of prescription drugs that aren't thinly disguised favors for stakeholders."
- **Americans for Tax Reform:** "Senators should oppose this legislation, as it...could increase costs on consumers, and would increase the deficit by up to \$40 billion."
- **Citizens Against Government Waste:** "More federal government meddling in private sector healthcare business will further distort the marketplace and drive the country further toward socialized medicine."
- **Douglas Holtz-Eakin, President, American Action Forum:** "Doesn't it make sense to wait and see if the FTC identifies a problem (or not) before legislating the solution to that "problem" and obligating the FTC to enforce it?"

How Pharmacy Benefits Help Americans

Americans rely on their pharmacy benefits to get the prescription drugs that keep them healthy:

\$1,000 every year

Pharmacy coverage helps **save every American more than \$1,000 every year.**

\$145 billion every year

PBMs' work to deliver lower-cost pharmacy benefits **saves the U.S. economy and patients \$145 billion every year.**

\$200 billion

Limitations on pharmacy benefits have been shown to **cost the U.S. government more than \$200 billion.**

Congress should oppose policies that will make prescription drugs more expensive for Americans. Reject S. 127.

Learn more at affordableprescriptiondrugs.org