

## If Democrats Win Control of the House in Fall Elections House Democrats Pledge Action That Would Ration Lifesaving Drugs

A May 7, 2006, Washington Post story reports that House Minority Leader Nancy Pelosi (D-Ca.) has pledged that should Democrats take control of the House as a result of the November elections, they will pass a bill their first week in power which would effectively authorize the federal government to fix prices for drugs offered under Medicare.

NRLC has long warned that government-imposed drug price controls in Medicare would compel rationing and gravely endanger development of lifesaving drugs.

"We have to be ready to win," Pelosi said, "and we have to tell [voters] what we will do when we win." Relying on recent polls showing that more voters want Democrats than Republicans to control Congress, House Minority Whip Steny Hoyer (D-Md.) agreed. "We are more and more confident that we are going to have the responsibility of leading the House, so we have to prepare."

Two years ago, the National Right to Life Committee announced its opposition to bills introduced in Congress to repeal the Medicare provision that prevents the federal government from interfering in drug price negotiations—now announced as a top priority by the House Democratic leadership.

Since its inception, the National Right to Life Committee (NRLC) has been committed to protecting the right to life from conception until natural death, which means the organization has fought just as strongly against infanticide and euthanasia as it has against abortion. In particular, NRLC has strongly opposed involuntary denial of lifesaving medical treatment through rationing.

In 1994 NRLC opposed the Clinton Health Care Plan's proposed insurance premium price controls because they would have forced rationing. In 1995-2003, during the congressional debate over Medicare restructuring, NRLC successfully fought for the ability of older Americans to add their own money, if they choose, to government payments in order to obtain insurance plans that are less likely to ration care.

In 1997, at the urging of NRLC and other groups, Congress created an escape valve. It is an alternative to Medicare rationing that neither breaks the budget nor requires new taxes.

That alternative permits those eligible for Medicare voluntarily to supplement government payments for health insurance premiums with their own funds, if they wish, in order to obtain unrationed, unmanaged, private fee-for-service insurance.

This is comparable to the way in which most retirees supplement government Social Security payments for living expenses with their own funds.

In 2003, again at NRLC's urging, Congress applied this alternative to the new prescription drug benefit. It also expanded the alternative so that senior citizens, if they choose, can add their own money not only for private fee-for-service plans, but also for "preferred provider" plans and even for some managed care plans—so that the amount and degree of rationing in such plans can be reduced. This allows older Americans the freedom, if they choose, to spend their own money to save their own lives.

Now, however, the House Democratic leadership is attempting to diminish this freedom. They would amend Medicare to authorize the government, under the guise of "negotiating" drug prices for Medicare recipients, to take away this choice by effectively fixing prices for drugs across Medicare.

Drug price controls would have a devastating effect on the development of new lifesaving drugs. Research and development is financed by investors who buy stock or provide venture capital.

Investment in pharmaceutical development is risky. Many promising leads fail to work out and never make it to the market. Investors are willing to take this risk in the hope that a "breakthrough" drug that does succeed will have a high return on investment. However, if the government imposes price controls on the 40% of the prescription drug market

that goes to Medicare beneficiaries, that incentive will be severely diminished. "Imagine the consequences for desperately needed new drugs to deal with Alzheimer's disease, cancer, and other debilitating and destructive conditions that disproportionately afflict older Americans," said Burke J. Balch, J.D., director of NRLC's Robert Powell Center for Medical Ethics. "Even from a purely economic standpoint, drastically diminishing the development of new drugs for these conditions is counterproductive when one considers the enormous costs of caring for those with these diseases as the 'baby boom' generation retires, unless there are pharmaceutical breakthroughs."

NRLC Executive Director David N. O'Steen, Ph.D., agreed. "In order to protect the lives of senior citizens from government-imposed rationing, Congress must not take away from older Americans the right they now have to use their own money, if they choose to do so, to get the drugs they need to save their own lives."