



March 16, 2021

Members of the Senate Human Services Committee
North Dakota State Legislature State Capitol
600 East Boulevard Bismarck, ND 58505-0360

Re: Oppose House Bill 1032

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across North Dakota, **I urge you to oppose House Bill 1032**, the Drug Cost Transparency Legislation. While I have no doubt that the intentions behind HB 1032 are good, **I worry this bill – which is a step towards price controls – would result in a number of unintended negative consequences for patients across North Dakota.**

The biopharmaceutical industry is one of the most heavily regulated industries in the United States. It costs more than \$2.5 billion and can take over a decade for just one new drug to make it through the Food and Drug Administration (FDA) approval process. **Piling on more red tape at the state level, such as HB 1032, would only make pharmaceutical development even more difficult.**

HB 1032 would burden pharmaceutical manufacturers with significant reporting requirements – including the disclosure of proprietary information – that would not accurately reflect the true costs of drug development nor the price paid by patients. **This would jeopardize pharmaceutical innovation and access to medicines, as it would result in pharmaceutical manufacturers wasting even more resources on compliance and lawyers instead of research and development for the next generation of lifesaving, life-improving medications.**

The fact is pharmaceutical development is a very costly and complicated process. This additional government intervention would not do anything to help patients afford their medications. Instead, **it is likely to result in the people of North Dakota being left with even fewer, lower quality choices, which would actually lead to higher healthcare costs over the long term.**

The best thing state lawmakers can do to mitigate rising healthcare costs is remove protectionist policies and government-imposed barriers to care. This would promote the competition that spurs innovation, improves quality, increases the number of available options, and naturally keeps prices low.

ATR opposes HB 1032 and encourages the Senate Human Services Committee to vote NO.

Sincerely,

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