



January 16, 2023

The Honorable Judy Lee, Chairman
The Honorable Sean Cleary, Vice Chairman
Senate Committee on Human Services

Dear Chairman Lee, Vice Chairman Cleary, and Members of the North Dakota Senate Committee on Human Services,

As a former state legislator and pediatric nurse practitioner, I am deeply concerned that, despite the well-meaning intent behind Senate Bill 2031, North Dakota patients and taxpayers will not be well-served if this bill becomes law.

Typically, I encourage efforts to use pilot programs to study the effects of new policies before full implementation. But it is already well-documented that drug price controls create unintended consequences that limit patient access to necessary medications, cause delays in therapeutic regimens, and harm the development of new groundbreaking and life-saving medications. As a recent December 2022 report from North Dakota State University's Dr. Raymond March found, "Thousands of examples and a large body of research consistently find price controls fail to deliver while causing considerable harm. Implementing them in North Dakota would be a disastrous misdiagnosis."

National Taxpayers Union, the nation's oldest taxpayer advocacy organization, stands with taxpayers and patients as you look at reducing the costs they pay for health care. Senate Bill 2031 will further imperil access to treatments for North Dakotans who need newly innovated pharmaceutical solutions to their health problems. North Dakota patients shouldn't rubber stamp the Canadian government's drug pricing system and hinder the availability of the latest medications they will need.

The current version of this bill also attempts to penalize companies that might pull their drugs from the state because of the proposed price-control schedule based on Canadian drug prices. Beyond the question of how the state would enforce this provision, the inclusion of this language acknowledges that prescription drug access will diminish under a system where the government sets prices.

National Taxpayers Union stands ready to assist state lawmakers as they pursue a comprehensive analysis of finding cost-saving measures for patients. I hope you will consider more viable, free-market approaches that will lower costs and protect your constituents at the same time.

However, the unintended consequences of this North Dakota bill need to be considered, and it should not pass.

Thank you for the opportunity to submit testimony on this bill, and I would be happy to answer any questions you may have.

Sincerely,

Leah Vukmir
Vice President of State Affairs
National Taxpayers Union