



Monday, February 22, 2021

Dear Members of the House Health Finance and Policy Committee,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today in opposition to HF801, which would create a new “Drug Price Affordability Board”.

The U.S. is the best in the world when it comes to developing innovative, lifesaving and life preserving medicines, including development of COVID-19 vaccines already helping contain the pandemic and save lives. But the pandemic also exposed a tragic reality: our health care system is undermined by too much bureaucracy and red tape that prevents access to care, limits innovation, and actually adds unnecessary government-imposed costs into the system.

In April of last year, we commended actions by public officials at both the federal and state level that removed many of the bureaucratic barriers that stood in the way of our most vulnerable citizens getting the care they need, ultimately saving countless lives. Empowered with flexibility and freed from well-intentioned but burdensome regulation, the private sector expanded hospital capacity and medical supplies almost overnight; doctors, nurses, and other professionals delivered good, effective health care to millions online and across state lines; and researchers produced effective vaccines and promising therapies in record time.

HF801 would take Minnesota in exactly the opposite direction and disregard the hard-learned lessons from this pandemic.

Following on the heels of the compulsory price disclosure already enacted, this bill will further pave the way to direct government price controls, which will unavoidably harm patients by inducing needless scarcity and market distortions. Price controls typically culminate in government rationing, which can be dangerous, corrupt, and counterproductive. Even when the government purchases or reimburses for it directly, a product’s price can and should be determined by market forces rather than fiat. This bill is also unethical to the extent that it violates private property rights.

This board will only serve as a mechanism for imposing price controls indirectly and incrementally, attempting to disguise their negative impacts from a general public opposed to direct government control of pricing. But whether direct or indirect, the result will be the same – less medical innovation leading to fewer cures and therapies and inevitable healthcare shortages and reductions in both access and quality of care for American patients.

Thank you for your time and attention to these important issues. Please don’t hesitate to reach out if you have questions, need more information, or if you would like to discuss this issue further.

Sincerely,

Jason Flohrs
State Director
Americans for Prosperity - Minnesota