



Thomas A. Schatz, *President*
1100 Connecticut Ave., N.W., Suite 650
Washington, D.C. 20036
cagw.org

November 13, 2020

The Honorable Alex M. Azar, II
Secretary
The Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Azar,

On November 9, Pfizer announced that its COVID-19 vaccine is 90 percent effective in preventing infections. This is cause for celebration along with gratitude to the Trump administration's focused actions to encourage the quick development of coronavirus therapies and cures through agency deregulatory actions and unapparelled cooperation among government agencies, biopharmaceutical researchers, and medical device companies.

This is also one of many reasons why Citizens Against Government Waste (CAGW) is asking the administration to immediately withdraw any rulemaking proceedings or other attempts to impose a most favored nation (MFN) policy for drug prices in Medicare. As CAGW said in a July 24, 2020 press release quoting the Council of Economic Advisers, if "developed countries did not pay below the value of new products, there would be greater potential for better treatments, cures, and healthcare around the world." By utilizing an MFN policy, the administration would be capitulating to those countries' government-run, socialist healthcare policies.

The goal of Operation Warp Speed to produce and deliver 300 million doses of safe and effective vaccines to be delivered by January 2021 will go down in history as a monumental achievement. Among the more than 100-plus vaccine candidates, 14 were chosen by the Department of Health and Human Services. From there, the list of vaccines was narrowed down further to the most promising candidates based on a variety of technology options to go through further testing and then enter into clinical trials to determine safety and efficacy. To get to this point, many of these companies had already risked millions of dollars to demonstrate their viability of being a safe and effective vaccine.

Global U.S. leadership in biopharmaceutical research made this all possible. Although some companies are working closely with European researchers to produce the vaccines, these researchers are relying on U.S. dollars to bring forth these miracles because their countries' socialized medicine polices, which include price controls and rationing, have atrophied their biopharmaceutical research.

It is precisely because of our continued concern over the future development for innovative drugs that will address other complex diseases like Alzheimer's, cancer, epilepsy, and diabetes, that we believe it would be counterproductive and damaging to move forward with the MFN policy.

Whatever happens on January 20, 2021, President Trump will be remembered for his efforts to create Operation Warp Speed and the resulting development of safe and effective vaccines to fight COVID-19 in record time. He should not be remembered for implementing a policy like MFN that will start the long, slow decline of America's dominance in biopharmaceutical research and development.

Sincerely,

A handwritten signature in black ink that reads "Thomas Schatz". The signature is written in a cursive, slightly slanted style.

cc:

Larry Kudlow, Assistant to the President for Economic Policy and Director
Theo Merkel, Special Assistant to the President for Economic Policy
Rudy Olivo, Deputy Director of Strategic Initiatives for the Vice President
James Parker, Director, Office of Health Reform, HHS
Brad Smith, Deputy Administrative and Director, Centers for Medicare and Medicaid Services
Amy Swonger, Assistant to the President and Director of Office of Legislative Affairs
Nick Uehlecke, Advisor to the Secretary of Health and Human Services
Ben Williamson, Deputy Assistant to the President and Senior Advisor to the Chief of Staff