

June 1, 2023

WHEREAS, the United States (U.S.) leads the world in discovery and development of new medicines that help prevent, treat and cure disease across the globe; and

WHEREAS, U.S. leadership in biopharmaceutical innovation delivers important benefits to U.S. patients, with Americans enjoying earlier and broader access to newly approved medicines than patients anywhere else in the world; and

WHEREAS, American workers and the U.S. economy benefit from historic investment and leadership in biopharmaceutical innovation, with the industry directly employing more than 900,000 U.S. workers and supporting a total of nearly 4.5 million jobs nationwide including abundant, well-paid opportunities for union workers across the full range of trades; and

WHEREAS, the biopharmaceutical industry is contributing to investments in a next generation workforce, with nearly \$2 billion invested every year – entirely from private sources – in training, apprenticeship, certification, and continuing education programs for U.S. workers; and

WHEREAS, the Inflation Reduction Act of 2022 (IRA) established government price controls on medicines in Medicare for the first time ever, threatening the availability of biopharmaceutical industry resources to invest in a union workforce in the U.S.; and

WHEREAS, the maximum fair price (MFP) program enacted by the IRA has been characterized as a voluntary negotiation with robust back and forth between government and manufacturers, but in reality it is nothing of the sort as made clear by recent implementation guidance from the government; and

WHEREAS, price controls under the MFP program will quickly overtake market-based negotiation and pricing in Medicare, with Part B and D drugs anticipated to be selected for negotiation from 2026–2031 representing approximately 45% (\$106 billion) of current Medicare drug spending; and

WHEREAS, U.S. policymakers already are calling for expansion of the MFP program to price control up to two times as many medicines, such that even less Medicare spending for medicines will be market-based in the future; and

WHEREAS, the MFP program is already impacting U.S. investment in biopharmaceuticals, with life science investors and manufacturers reporting a shift of resources away from development of small molecule therapies and post-approval research; and

WHEREAS, the Pharmaceutical Industry Labor-Management Association (PILMA) has steadfastly opposed price controls for multiple reasons, chief among them because losses in private capital will result in fewer U.S. manufacturing, construction and science technology jobs and training and will threaten U.S. standing as the global leader in new medicine development; therefore

BE IT RESOLVED, that the trade union and company trustees of PILMA recognize that price controls will upend America's position at the forefront of biomedical innovation, cease current and future research and development and eliminate American jobs and job training the industry supports; and

BE IT FURTHER RESOLVED, that the so-called negotiation program established by the IRA is not voluntary for biopharmaceutical innovators who are selected and, accordingly, is a price control that will only grow in impact over time; and

BE IT FURTHER RESOLVED, that the trade union and company trustees of PILMA will advocate and urge legislators to oppose legislation or administrative action to expand the MFP program and to support legislation or administrative action to remedy the program's current penalty for small molecule medicines.