

January 29, 2020

The Honorable Mitch McConnell  
Majority Leader, Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader, Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
1236 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader, House of Representatives  
2468 Rayburn House Office Building  
Washington, D.C. 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

We, the undersigned leaders of nonprofit pharmaceutical companies, write to underscore the serious challenges facing Americans in accessing affordable drugs, and to elevate the potential role of nonprofit pharmaceutical companies like ours in helping to address these challenges. We hope this letter will spur further conversation on how to revisit current policies in order to give nonprofit pharmaceutical companies a real chance to fulfill their missions to deliver essential, lifesaving medicines at a lower cost.

Americans are struggling with the high cost of health care. Prescription drug prices are a major driver of high medical costs, often forcing patients and their families into an impossible choice between their financial security and getting the care they need.

We share Congress's concerns about high drug prices and their consequences for the health and wellbeing of communities across the country. And we have been encouraged by your attention to this issue in recent years, during which we have seen a variety of proposed reforms aimed at addressing rising drug costs.

One potential solution, however, has been left out of the conversation: the role of nonprofit pharmaceutical companies in ensuring drug access and affordability. Although our organizations' specific missions may differ – from developing new products to meet public health needs, to introducing price competition through introduction of generic or over-the-counter alternatives to high-priced brand-name drugs, and more – we share a fundamental commitment to ensure access to affordable drugs that are currently not available on the market, are in insufficient supply, or are otherwise prohibitively expensive. Free from the need to maximize profits for shareholders, nonprofit pharmaceutical companies are able to pursue research and development and launch products using new distribution methods in areas that traditional for-profit companies may not be able to enter.

Despite the promise of the nonprofit model, our organizations face an uphill battle achieving our missions in the current policy environment, which has largely been built to accommodate the for-profit pharmaceutical industry. A variety of barriers interfere with our ability to sustainably develop and market needed drugs in the U.S. For

example, nonprofit pharmaceutical companies may face difficulties in meeting federal requirements for tax-exempt charitable organizations, financing drug research and development without venture capital investment, absorbing the cost of large U.S. Food and Drug Administration user fees, accessing for-profit pharmaceutical supply chains and distribution channels, and participating in federal health programs. In addition to these issues, a number of tax incentives and funding opportunities that are available to for-profit pharmaceutical companies are, for all practical purposes, unavailable to their nonprofit counterparts.

As Congress continues its work to relieve the burden of high drug prices on patients and their families, we invite you to engage in dialogue that includes nonprofit pharmaceutical companies as a potential solution to high drug prices, the barriers that hinder the success of nonprofit pharmaceutical companies, and potential policy measures that could better secure the ability of nonprofit pharmaceutical companies to sustainably operate in the U.S. Thank you for your consideration and please do not hesitate to contact us with questions.

Sincerely,

*William Buhles*

William Buhles, PhD, Board President, NP2

*Deborah J Drew*

Deborah Drew, Director, Founder, and Chairman, Drew Quality Group

*Jessica Grossman*

Jessica Grossman, MD, Chief Executive Officer, Medicines360

*Michael Hufford*

Michael Hufford, PhD, Co-Founder and Chief Executive Officer, Harm Reduction Therapeutics

*M. VanTrieste*

Martin VanTrieste, President and Chief Executive Officer, CivicaRx

*Jim Wilkins*

Jim Wilkins, PhD, President and Founder, Fair Access Medicines

cc:

Rep. Frank Pallone, Chair, House Committee on Energy and Commerce  
Rep. Greg Walden, Ranking Member, House Committee on Energy and Commerce  
Rep. Richard Neal, Chair, House Committee on Ways and Means  
Rep. Kevin Brady, Ranking Member, House Committee on Ways and Means  
Sen. Chuck Grassley, Chair, Senate Committee on Finance  
Sen. Ron Wyden, Ranking Member, Senate Committee on Finance  
Sen. Lamar Alexander, Chair, Senate Committee on Health, Education, Labor, and Pensions  
Sen. Patty Murray, Ranking Member, Senate Committee on Health, Education, Labor, and Pensions