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Health and Human Services Committee
New Mexico Legislature
490 Old Santa Fe Trail
Santa Fe, NM 87501

Dear Representative,

Your committee will be holding a hearing on [HB 51](#), on January 25, 2023. On behalf of the 11,976 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in New Mexico, I urge you to oppose this legislation.

HB 51 would create the Prescription Drug Affordability Board, a new independent board consisting of five members serving four-year terms. The new board is appropriated \$750,000 from the general fund for the prescription drug affordability board's expenditures in fiscal year 2024 to cover operational costs, some of which would be offset by assessments from manufacturers, distributors, and pharmacy benefit managers. The board will offer recommendations for legislation it believes will lower the cost of prescription drugs for consumers, health care providers, businesses, and government.

CCAGW has long been concerned with government inserting itself into the medical marketplace and instituting price controls on drugs. The establishment of the Prescription Drug Affordability Board creates a path for the state to step in and distort the marketplace in the future by establishing price controls on prescription drugs with heavy fines for noncompliance, which is what similar boards and agencies have done in other states. Price controls do not lower drug prices, and they cause harm to patients by hindering the research and development needed for fewer future treatments and cures.

CCAGW understands the concern over drug costs, but a better way to lower them is for legislators to contact New Mexico's federal representatives and encourage them to hold the Food and Drug Administration's feet to the fire for faster generic drug and biosimilar approvals, and to create an environment that encourages more "me too" drugs that will foster competition among branded pharmaceuticals that are in the same class and still under patent. Congress should also work closely with the President to establish better trade deals, so that other countries with drug development capabilities would be required to contribute more to pharmaceutical research instead of implementing price controls in their socialistic healthcare systems and free-ride on U.S. funded-research, as discussed in a 2020 Council of Economic Advisers [report](#), "Funding the Global Benefits to Biopharmaceutical Innovation."

Again, I urge you to vote against HB 51.

Sincerely,

Tom Schatz