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Incubate Raises Concern About President Trump's Executive Order on Drug Pricing

Washington, DC – Last week, President Trump signed four Executive Orders (EO) to lower prescription drug costs. One Executive Order was discussed that would import price controls through a “most favored nation” (MFN) structure, under which Medicare would tie the prices it pays for certain drugs to the prices paid by other countries.

In response to President Trump's plan to import foreign price controls via reference pricing, the Executive Director of [Incubate](#), a coalition of life science venture capital organizations focused on raising awareness of the critical role venture capital plays in the development of new therapies, medicines, devices and technology, John Stanford, issued the following statement:

“At a time when hundreds of biopharmaceutical companies, large and small, backed by billions in private capital, carry the hopes of the world on their shoulders, we are stunned that this Administration would take action to undermine the entire drug development pipeline.

Despite clear warnings from early stage venture capitalists about the damning impact of importing price controls via reference pricing, this Executive Order pursues an agenda that will lead to fewer treatments and cures. In addition to abandoning the patients of tomorrow, this haphazard proposal does little to benefit the patients of today, who will still face out-of-pocket costs they can't afford.

We strongly urge the White House to reconsider this action.”

Incubate is not alone in [speaking out](#) about the detrimental effects that reference pricing and price controls would have on the innovative early stage ecosystem. Additional reports that have shown opposition include:

- California Life Sciences Association: [Anticipated Effects of International Reference Pricing in Medicare Part D on California's Innovative Biopharmaceutical Sector](#)
- Vital Transformation: [H.R. 3 – Medicare D Reform Calculating the Impact of International Reference Pricing on California's Biopharmaceutical Innovation Ecosystem](#)

As the EO will not be implemented until August 24, Incubate will be ensuring that the Administration will be hearing from venture capitalists. To learn more about this proposal and

the drug making process, please visit incubatecoalition.org or reach out to Ashlyn@incubatecoalition.org.

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[Incubate](#) is a coalition of venture capital organizations representing the patient, corporate and investment communities with the primary aim to educate policymakers on the role of venture in bringing promising ideas to patients in need.