# IRA THREATENS TREATMENT FOR PATIENTS BATTLING INFLUENZA, EPSTEIN BARR VIRUS

Study Shows
Government-Mandated
Drug Pricing Policies
Threaten Development
of Future Treatments
for Infectious Diseases

A new study by research firm Vital Transformation estimates that there would be hundreds of lost therapies if Congress expands new aggressive government-mandated drug price setting policies, including many in development to treat infectious diseases, the cause of more than 10 million doctor visits in the U.S. annually<sup>1</sup>.



## **LOST THERAPIES**



70% of all currently available medicines – treatments Americans rely on every day – would likely never have been created, including nearly 10 different treatments for infectious diseases.

## **LOST INNOVATION**



237 fewer medicines
will be FDA-approved
over the next decade,
especially in areas where
we are desperately
seeking cures – like
Influenza, Epstein Barr
Virus and Ebola.

## MAJOR SETBACK FOR WHITE HOUSE'S HEALTH EQUITY AGENDA



A well-publicized goal for the current White House Administration is tackling the unequitable effects of infectious diseases on racial minorities and LGBTQI+ populations<sup>2</sup>. Communicable diseases disproportionally impact underserved communities – Americans with unreliable access to safe drinking water, basic sanitation, housing, nutrition and income.

In the aftermath of the global war against the highly contagious coronavirus, the challenge of curtailing outbreaks in an increasingly connected world has been thrust into the spotlight. Despite this, the IRA is set to derail progress in the battle against infectious diseases and exacerbate existing health disparities.

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## **PREVALENCE**

### LOSS OF RESOURCES



Nine out of every ten people have been infected with a herpesvirus known as Epstein Barr virus (EBV).<sup>3</sup>

\$872 million+



Seasonal influenza alone causes 5 million cases of severe illness annually, resulting in an estimated 650,000 respiratory deaths worldwide each year.<sup>4</sup>

\$700 million+



Ebola virus disease, a rare but often fatal illness in humans, can be spread for as long as a person's body contains the virus, even after they have died.<sup>5</sup>

\$20 million

Governmentmandated drug
pricing policies will
cause significant
investment losses
for communicable
disease research
and development
– a reduction of
nearly \$4 billion
nationwide toward
drug advancements
for large anti-infective
and micro-orphan

conditions.

## WHAT INFECTIOUS DISEASE DRUG INNOVATORS ARE SAYING ABOUT THE IRA

"This would upend the current selfsustaining cycle of pharmaceutical innovation that provides patients with access to pioneering treatments."

Statementreleased by Johnson & Johnson.<sup>6</sup>

"Despite its claim to promote 'negotiation,' the IRA imposes government-set pricing on prescription drugs available under Medicare that will discourage private-sector investment in the discovery and development of new medicines. As a result, the Program will disincentivize critical R&D efforts to tackle hard-to-treat diseases and diminish the availability of new medicines for patients." – Statement released by Astellas.

"Patients and the public need biopharmaceutical innovation to address global health challenges... the IRA is negatively affecting critical research and development. By changing the incentives and returns for some therapies and technologies over others, the IRA is changing the course of R&D, which in time will leave many patients without treatment options." – Statement released by Merck leadership.8

## LEARN MORE

The new study issued by We Work For Health (WWFH) and Vital Transformation modeled the impacts on industry revenues, jobs and future research and development investments. For the full study, please visit <u>We Work For Health</u>.

- National Ambulatory Medical Care Survey: 2019 National Summary Tables. <u>Center for Disease Control and Prevention</u>. 2019.
- 2. FACT SHEET: President Biden's Budget Advances Equity. <u>The White House Briefing Room.</u> March 9, 2023.
- Epstein Bar Virus. <u>National Institutes of Health: National Library of Medicine</u>. August 8, 2023.
- 4. Fact Sheet: Influenza (Seasonal). World Health Organization. January 12, 2023.
- 5. Fact Sheet: Ebola virus disease. World Health Organization. April 20, 2023.
- Statement: Protecting the Healthcare Innovation Ecosystem. <u>Johnson & Johnson</u>. July 18, 2023.
- 7. Astellas Pharma US Statement on Legal Action Regarding the Inflation Reduction Act (IRA). <u>Astellas Newsroom</u>. July 18, 2023.
- The Inflation Reduction Act's Negative Impact on Patient-Focused Innovation, Value and Access. Merck Media. June 6, 2023.