

The unintended consequences of the Inflation Reduction Act **threaten patient health and America's leadership** in the life sciences. As policymakers continue to evaluate the law's implementation, it is important to **consider the real-world impact** this law is having on patient access, innovation, & American jobs.

**Protecting America's leadership in life sciences innovation is essential**, and today that must start with understanding the current policy environment, threats, and opportunities.

Read what industry experts have to say about IRA's current impact.



APRIL 15, 2025

### **White House Executive Order, United States**

"The program imposes price controls on small molecule prescription drugs, usually in tablet or capsule form, 4 years earlier than on large molecule biological products. Known as the 'pill penalty,' this discrepancy threatens to distort innovation by pushing investment towards expensive biological products, which are often indicated to treat rarer diseases, and away from small molecule prescription drugs, which are generally cheaper and treat larger patient populations."

[Lowering Drug Prices by Once Again Putting Americans First](#)



APRIL 14, 2025

### **Duane Schulthess, Vital Transformation CEO**

"The decline of small molecule investments targeting the Medicare-aged population over the last two years in highly innovative, young companies is undeniable and will not reverse without meaningful changes."

[New Research Reveals the Devastating Impact of the Inflation Reduction Act's "Pill Penalty" on Small Molecule Medicines](#)

# Read what industry experts have to say about IRA's current impact:



FEBRUARY 28, 2025

**Joel White, Council for Affordable Health Coverage President**

“For the law to penalize one type of treatment because it is cheaper to make and easier to dispense is not only the definition of insanity but will lead to less drugs on the market at a higher price.”

[Rotten to the Core: The Inflation Reduction Act Pill Penalty](#)



NOVEMBER 14, 2024

**Chris Viehbacher, Biogen President and CEO**

“If you’ve taken a long time to develop that first indication, and you’re a small molecule and you only have nine years, you may find that you won’t get that second indication approved until you only have two or three years left in the market, and that’s not going to be enough to justify that decision.”

[CEO Panel Talks IRA Impact At Galien Forum](#)

# Read what industry experts have to say about IRA's current impact:



JUNE 5, 2024

## Robert A. Bradway, Amgen CEO

"I would venture to guess that none of the legislators who advocated for that legislation recognize what the long-term effect will be on oncology research in this country.

"I think [the nine-year window for small molecule drugs] is going to prove to be unrealistic. The net result will be exactly what you'd expect: When the returns of an industry go down, the investment in the industry follows. So, we will see a reallocation of capital, certainly away from those parts of our industry which the IRA most directly affects, like small molecule research.

"It is unfortunate that there are some interesting, promising small molecules for cancer research that may not see the light of day."

[BIO 2024: Amgen CEO Robert A Bradway on the impact of policy on the innovation ecosystem](#)

# Read what industry experts have to say about IRA's current impact:



FEBRUARY 8, 2024

## **Joaquin Duato, Johnson & Johnson CEO**

"Our nation's robust biopharmaceutical industry was created and fostered by deliberate policy choices that prioritized and incentivized investment in medical innovation in exchange for a period of patent and regulatory exclusivity that enables innovators to price at levels required to recoup their investments and reinvest in the future. As reflected in the Constitution, this nation's founders recognized as a fundamental tenet, and a cornerstone of a free and capitalistic economy, that the award of exclusivity promotes progress. We can only make the significant research and development investments we do because U.S. policy has respected manufacturers' patent rights and afforded periods of market exclusivity for innovations."

[Statement of Joaquin Duato Chairman and Chief Executive Officer Johnson & Johnson before the Committee on Health, Education, Labor, and Pensions United States Senate](#)



APRIL 26, 2024

## **Rob Michael, President and Chief Operating Officer AbbVie**

"When you think about that [Medicare Part D] redesign impact, it will really spread across our business, most concentrated in immunology and oncology."

[AbbVie \(ABBV\) Q1 2024 Earnings Call Transcript](#)

# Read what industry experts have to say about IRA's current impact:



APRIL 16, 2024

**Jennifer Taubert, Executive Vice President, Worldwide Chairman, Innovative Medicine  
Johnson & Johnson**

"We've been really clear that we do think the IRA drug setting provisions are damaging to the healthcare innovative system. It is not something that is going to help reinforce the tremendous investments that we're making in R&D to develop the next types of treatments and cures."

[Johnson & Johnson \(JNJ\) Q1 2024 Earnings Call Transcript](#)



JANUARY 17, 2024

**Peter Kolchinsky, Co-Founder  
RA Capital Management**

"It would be as if a company came to us and said, 'Hey, will you fund my preclinical project? Oh, and by the way, when we launch, we will only have nine years of patent exclusivity left.' Of course, I know that for years, if we ever looked at a project and knew we would have only nine years on the market before going generic, we would say, 'Oh, that's too short. So I already know what my decision is'."

[Vital Health Podcast: "IRA's 9 Years Is Too Short"](#)

# Read what industry experts have to say about IRA's current impact:



SEPTEMBER 27, 2023

**Steve Potts, Founding CEO  
AZBio**

"I surveyed 100 VCs and biotech executives and [asked] two questions: Are you seeing a decline in small molecule funding for the elderly? Are you planning a decline based on this IRA? 85% of them are pulling out of small molecule research for the elderly as a result."

[Vital Health Podcast: "Cancer Drug Developer Dr. Steve Potts' Congressional Testimony on the IRA"](#)



AUGUST 29, 2023

**Giovanni Caforio, Chairman and CEO  
Bristol Myers Squibb**

"It makes no sense to take a medicine that is already priced based on the value it delivers and demand even greater concessions, especially given that there is no requirement that the insurance companies that administer Medicare benefits will pass any new savings to patients."

[The High Cost of Price Controls on Eliquis and Other Drugs](#)

# Read what industry experts have to say about IRA's current impact:



MARCH 4, 2024

**Suneet Varma, Commercial President  
Pfizer Oncology**

“Biologics have that 13-year versus the 9-year [for small molecules] before you enter negotiation or price negotiations, so I think that all of that strengthens the case and that has driven us to be deliberate intentionally not just on our tumor types but on the modalities that you heard about today—the ADCs as well as the bispecifics.”

[IRA Drive Pfizer's Decision to Focus on Biologics, Not Small Molecules](#)



JULY 27, 2023

**Thomas Schinecker, CEO  
Roche**

“We have decided that we are not going to do certain trials, or that we are not going to do a merger or acquisition or licensing [deal] because it is becoming financially not viable.”

[Roche: Have Abandoned Some Trials Due to U.S. Drug Pricing Plans](#)



JULY 6, 2023

**Alexander Hardy, CEO  
Genentech**

“These are not the sorts of dilemmas we like to have to make. We’d like to put the patient first. But now we’re trying to figure out how to make a return with a nine-year clock.”

[Genentech CEO Hardy warns of ‘unintended consequences’ from the Inflation Reduction Act](#)

# Read what industry experts have to say about IRA's current impact:



JUNE 21, 2023

**Barry Greene, CEO**  
**Sage Therapeutics**

"Those decisions [bypassing Medicare] may have dire consequences on the elderly. Companies should not be forced to choose patient winners and losers, an unfortunate consequence of the IRA."

[Biopharma Execs Weigh Controversial Move: Option Out of Medicare to Escape Drug Price Negotiations](#)



JUNE 14, 2023

**David Ricks, CEO**  
**Eli Lilly**

"So you raise the question of should I even try for government access for new innovation if it's going to get caught up in potential downstream negotiation."

[IRA side effect: Pharma companies will increasingly skip Medicare altogether, Lilly CEO says](#)



MAY 19, 2023

**Vas Narasimhan, CEO**  
**Novartis**

"The company has cut some early-stage cancer drug programs because 'nine years is just too short a time period to fully develop a drug across all of the indications ... and make a reasonable return.'"

[Novartis CEO: Some Cancer Drugs Dropped From Pipeline Because of Medicare Price Negotiations](#)