

# Novartis statement on filing of Inflation Reduction Act lawsuit

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## Protecting Patient Access and Medical Innovation

People experiencing disease deserve the most effective treatments that help them continue to live their lives as fully as possible. At Novartis, we are proud to discover and develop breakthrough treatments that improve and extend people's lives. Unfortunately, the Inflation Reduction Act (IRA) is threatening the ongoing scientific innovation necessary to make these life-saving and meaningful medicines available to the people who need them most.

Today, Novartis filed a lawsuit against the US Department of Health and Human Services and the Centers for Medicare and Medicaid Services because we believe the drug price-setting provisions in the IRA are unconstitutional and will have long-lasting negative consequences for patients by limiting access to medicines now and in the future.

More specifically, the drug price-setting provisions in the IRA represent an unconstitutional taking of pharmaceutical manufacturers' private property and would impose excessive and crippling fines on any pharmaceutical company that refuses either to participate in the supposedly voluntary "negotiations," or to accept CMS's purported "maximum fair price" (MFP) for a particular drug at the end. The provisions also force the company to endorse views with which it profoundly disagrees, in clear violation of Novartis' rights under the First Amendment.

This program will stifle innovation and jeopardize the creation of future medicines – harming the millions of patients who count on the pharmaceutical industry to discover life-saving treatments. The result would fundamentally jeopardize the development and supply of essential, life-saving drugs for the people who depend on them. Novartis believes everyone should have access to the medicines they need, and it is imperative to preserve an environment that protects the ability to discover and develop life-changing therapies for the people who need them the most.

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