Would price controls hamper research on gene therapy and other innovative treatments?

Over the next decade, it is a near certainty that we will have gene-therapy cures for deadly inherited disorders such as muscular dystrophy. Cell-based and regenerative medicine can restore human functions lost to disease, including returning some sight to the blind. Gene editing will be used to alter DNA to erase the origins of a range of debilitating inherited disorders.

These are only some of the opportunities at hand. Yet bad policies could sap the risk-taking that brings forth the most important innovations. For instance, the Lower Drug Costs Now Act would expose the 250 costliest drugs to government price controls. The high-cost drugs lawmakers target are often the most innovative and potentially transformative new medications. [December 12] the House will vote on the legislation, known as H.R. 3.

The price-control approach would increase uncertainty and reduce returns from biotech investment, raising the cost of capital for these invaluable endeavors. It would alter incentives and shift money from the most speculative but highest-value science, including regenerative medicine and gene editing.

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Many drugs targeted by H.R. 3 for government price controls are examples of the innovation we should try to encourage.

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