



October 24, 2007

Honorable Rahm Emanuel  
U.S. House of Representatives  
Washington, DC 20515

Dear Congressman:

As you requested, I am providing additional information regarding the estimate CBO prepared on October 19, 2007, of the budgetary impact of H.R. 380, the Pharmaceutical Market Access and Drug Safety Act, as introduced on January 10, 2007.

CBO determined that enacting H.R. 380 would reduce prices for some prescription drugs, which would lower the amount that both private entities and the federal government spend for prescription drugs. CBO estimated that H.R. 380 would increase federal revenues by \$5.2 billion and reduce federal direct spending for prescription drugs by \$5.4 billion over the 2009-2017 period. You asked for an estimate of the change in total prescription drug expenditures in the United States associated with enactment of H.R. 380. CBO estimates that total prescription drug expenditures in the United States would be reduced by roughly 1 percent, or about \$50 billion, over the 2009-2017 period.

I hope this information is helpful to you. The CBO staff contact is Julia Christensen, who can be reached at 226-9010.

Sincerely,

Peter R. Orszag

cc: Honorable John D. Dingell  
Chairman  
House Committee on Energy  
and Commerce

Honorable Edward M. Kennedy  
Chairman  
Senate Committee on Health,  
Education, Labor, and Pensions

Honorable Joe Barton  
Ranking Member

Honorable Mike Enzi  
Ranking Member

Honorable Byron L. Dorgan