Current Congressional Proposals to Control Drug Spending

The Health Industry Forum: The Trump Administration Proposals to Address Drug Spending: How Will They Change the Landscape?

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Health care objective is to lower costs while maintaining and enhancing access to needed, high-quality care. We focus on four areas where we see the greatest problems and opportunities.

- Reducing commercial sector prices
- Lowering drug prices
- Identifying and avoid low-value care
- Improving care for complex populations
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Public Demands Action > Results from KFF polling

> Drugs are too expensive.  
3 in 10  
Patients haven’t taken their medicine as prescribed due to costs.

> Pharma has too much power.  
72%  
Think pharmaceutical companies have too much influence in D.C.

> They are ready for change.  
80+%  
Favor making it easier for drugs to come to market and allowing the government to negotiate in Medicare.
Current Congressional Proposals to Control Drug Spending > Hearings

> 11 Committee hearings so far in 2019.

> Senate (5).

Finance Committee (3)
1) Part 1: Subject matter experts
2) Part 2: Manufacturers
3) Part 3: PBMs

Committee on Aging (2)
1) Patients struggling with rising costs - Patient testimonies
2) Paths forward - Experts

> House (6).

House Committee on Oversight and Reform (1)
1) Examining actions of drug companies in raising prices – Experts

House Committee on Energy and Commerce (3)
1) Barriers to market competition – Experts
2) Rising costs of insulin – Patients
3) Rising costs of insulin – Experts

House Committee on Ways and Means (2)
1) Rising costs of drugs - Experts
2) Promoting competition to lower Medicare prices - Experts
Current Congressional Proposals to Control Drug Spending > Legislation

> Legislation introduced so far in 2019.

As of April 1st, 49 bills to address drug pricing have been introduced in Congress exploring a number of proposals including:

> Medicare negotiation
> Rebate reforms
> Transparency
> Importation
> Price gouging
> Anticompetitive behaviors
> Medicaid rebates
> Patent reform
> Insulin pricing
Current Congressional Proposals to Control Drug Spending

Markups

> Bills marked-up so far in 2019.

As of April 9, 3 markups (2 on the same package of bills) have occurred on legislation aimed at prescription drugs.

> House Committee on Ways and Means (1)

> House Committee on Energy and Commerce (2)
  1) H.R. 1781: Payment Commission Data Act of 2019
  2) H.R. 938: Bringing Low-cost Options and Competition while Keeping Incentives for New Generics (BLOCKING) Act of 2019
  3) H.R. 1520: Purple Book Continuity Act of 2019
  5) H.R. 1499: Protecting Consumer Access to Generic Drugs Act of 2019
  6) H.R. 965: Creating and Restoring Equal Access to Equivalent Samples (CREATE) Act of 2019
## Solutions Must Be Comprehensive

### 3 Key Issues

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<td>&gt; <strong>CREATES Act</strong> (S. 974, 115th Congress)</td>
<td>&gt; <strong>Medicare Part D benefit Structure</strong> (PBM risk)</td>
<td>&gt; <strong>Medicare Part D</strong> (protected classes, negotiation, reference pricing, inflation based rebate)</td>
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<td>&gt; <strong>Pay-for-delay ban</strong></td>
<td>&gt; <strong>Tax incentives</strong> (co-pay coupons)</td>
<td>&gt; <strong>Medicare Part B</strong> (ASP+, physician purchasing groups, inflationary cap, IPI)</td>
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<td>&gt; <strong>Other proposals to address anticompetitive behaviors</strong></td>
<td>&gt; <strong>Transparency</strong> (Sunshine Act, MedPAC/MACPAC data accessibility, justification of price hikes)</td>
<td>&gt; <strong>Medicaid</strong> (flexibility, statutory rebate cap)</td>
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<td>&gt; <strong>PBM reform</strong> (assure coverage of lower cost alternatives, fairly allocate PBM $ across PBM/Plan/Taxpayer)</td>
<td>&gt; <strong>Commercial</strong> (best price)</td>
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High Launch Prices and Unjustified Price Increases.

Pricing Policy Categories:
> Negotiation
> Binding arbitration
> Reference Pricing (e.g., international pricing, cost-effectiveness)
> Licensing/patents
> Inflation rebate
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