



Drug Pricing in 2019 and Beyond



Dedicated to creating a nation where the best health and health care are equally accessible and affordable to all

Introduction



Justin Mendoza

Senior Partnerships
Manager,
Families USA

Drug Pricing in 2019 and Beyond

Today's Agenda

- Introductions: Justin Mendoza, Families USA
- Catherine Horine, Patient Advocate
- Drug cost policy wins and changes: Sean Dickson, West Health Policy Center
- Rx Legislation in the 116th Congress: Shawn Gremminger, Families USA
- Q&A

Housekeeping

- Today's presentation is being recorded
- The slides and recording will be made available
- To ask questions:
 - Type your question in the chat box

The Problem

High and rising drug prices leave consumers with impossible choices.

Did not fill a prescription



30%

Spent less on groceries



32%

Declined a medical test or procedure



27%

Spent less on family



32%

Put off a doctor's visit



26%

Used credit card more often



31%

Switched to a supplement, over-the-counter drug or nondrug treatment.



20%

Postponed paying other bills



21%

Source: Consumer Reports nationally representative survey of 1,180 adults who currently take prescription medication.

<https://www.consumerreports.org/drug-prices/how-to-pay-less-for-your-meds/>



My Story



Catherine Horine

Patient Advocate

Drug Cost Policy Wins & Changes

Drug Cost Policy Wins & Changes



Sean Dickson

Health Policy Director,
West Health Policy Center

Where Has Congress Focused in 2019?

Three Key Issues:

- Medicare out of pocket spending
- Price increases above the rate of inflation
- Drugs without competition

Medicare Out of Pocket Spending

Monthly Spending:

- Closing the donut hole
- Deductible smoothing

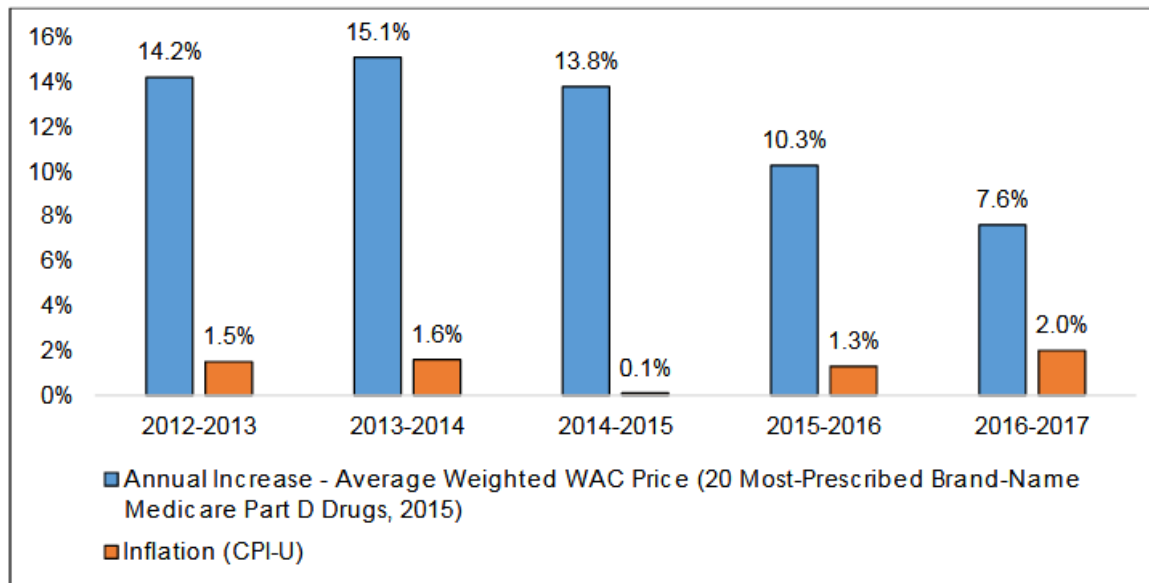
Annual Spending:

- Capping annual spending
- Increasing drug maker contributions

Price Increases Above Inflation

3 Key Concerns:

- Total cost of drugs
- Cost-shifting to patients
- Launch price growth over time



Source: U.S. Senate Homeland Security & Governmental Affairs Committee, Minority Office, 2018



Drugs Without Competition

2 Key Areas:

- Require manufacturers to negotiate
- Cap negotiation with an external price, generally using international prices

Rx Legislation in the 116th Congress

Legislative Recap



Shawn Gremminger

Senior Director of Federal
Relations,
Families USA

2019 – A Tale of Three Vehicles



- **H.R. 3** – The Pelosi Express
- **S. 2543** – The Finance Zephyr
- **S. 1895** – The HELP Line

H.R. 3 – Hurry up and Wait

Major Provisions

- **Title I** – Medicare negotiation of Part D drugs
- **Title II** – Inflation caps
- **Title III** – Medicare Part D restructuring and out-of-pocket cap for seniors
- **Title IV** – Use savings from Titles I-III to expand Medicare coverage for oral, vision, hearing care.

Saves \$500+ billion

Spends all but \$5 billion

November 2018 – “For the People” Agenda Announced

March 8 – House Passes H.R. 1

April 30 – Infrastructure Deal Announced

Aug. 26 – Pharma attack ads begin

Sept. 19 – H.R. 3 Rolled Out

Oct. 17-23 – Committee markups

Dec. 12 – H.R. 3 passed



S. 2543 – A Quick Start, then a Stumble

Jurisdiction: Medicare and Medicaid

Major Themes:

- Inflation caps
- Part D Redesign with out-of-pocket caps
- Improved price transparency

Timeline:

- July 23 - Grassley and Wyden unveil legislation
- July 25 – Bill mark-up
- Sept. 27 – Marked-up legislative text released
- Dec. 6 – “Version 2.0 released”
- Dec. 9 – White House offers support
- Dec. 16 – End of year package does not include provisions



S. 1895 – A tale of frustration

Jurisdiction: Most non-Entitlement Health Policy

Major Rx Themes:

- Cutting down on patent and market exclusivity abuses – CREATES and Pay for Delay

Timeline:

- June 19 – Alexander and Murray unveil bill
- July 8 – Bill mark-up
- Dec. 16 – CREATES included in end-of-year budget deal



2020 What Lies Ahead



Questions?



Join us for Health Action 2020



OUR NATION'S
HEALTH
IN THE BALANCE

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