



Congress Needs to Do More to Reduce Prescription Drug Prices

Talking Points

In the Inflation Reduction Act passed in August 2022 some significant steps supported by the NRLN were taken by Congress to reduce the price of prescription drugs.

- The legislation capped in 2023 copays for a 30-day supply of any insulin that a Medicare drug plan covers at \$35.
- In 2024, Medicare beneficiaries will no longer have any out-of-pocket costs if they reach Medicare's catastrophic coverage.
- In 2025, the amount of out-of-pocket money that Medicare Part D beneficiaries will have to pay each year for their prescriptions will be capped at \$2,000.
- Medicare will begin negotiating drug prices in 2026 for 10 drugs and increase to 20 by 2028.

Although it is historic that the new law will allow Medicare to eventually negotiate the price on few drugs that cost Medicare the most, it does not go far enough. The NRLN advocates Medicare use the competitive bidding model wherever:

-- two or more generic drugs, or two or more brand drugs, or a generic and brand drugs (upon patent expiration) that treat the same medical condition.

The legislation requires drug manufacturers to pay rebates to Medicare if they increase prices faster than inflation for drugs used by Medicare beneficiaries. The bill did not limit what drugmakers can charge for new drugs.

Some industry experts say that could leave manufacturers even more reliant on higher launch prices.

Pharmaceutical companies began 2023 as they do most years in January, raising the prices on hundreds of prescription medicines. On average, drugmakers hiked the world's highest list prices by 5%, under the December 2022 inflation rate of 8.1%.

The NRLN believes legislation is needed to:

- end pay-for-delay and other brand name drugmakers' tactics that obstruct generic drugs from the market.
- for importation of safe and less expensive drugs from Canada and other countries that meet Federal Drug Administration (FDA) quality standards.

The NRLN supported 10 bills in the 117th Congress to reduce the price of prescription drugs. We will lobby for their reintroduction and passage in the 118th Congress.