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Addressing High Drug Prices Remains Key Area of Bipartisan Interest

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February 21, 2020

Both Congress and the White House continue to push for bipartisan action to address high drug prices, with hopes of enacting legislation as part of a spending package that must pass by May 22, 2020.

Late last year, the House passed H.R. 3, a comprehensive drug pricing bill that passed mostly on party lines. The signature feature of the bill – allowing Medicare to negotiate drug prices with manufacturers based on international prices – is a non-starter with Senate Republicans. The bill would also require drug manufacturers to pay rebates to Medicare when manufacturers increase prices faster than inflation, another provision that many Senate Republicans oppose. Other features, however, garner bipartisan support, including Medicare Part D reforms to reduce beneficiary out-of-pocket costs.

In the Senate, drug pricing legislation drafted by Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) passed in the Committee last July, but with limited Republican support. Although S. 2543 includes provisions to reduce Part D beneficiary costs, similar to those in H.R. 3, the bill also includes inflationary rebates that many Senate Republicans oppose. Senate Majority Leader Mitch McConnell (R-KY) has indicated in media reports that there are “internal divisions” among Senate Republicans regarding the Senate Finance bill. Senators Grassley and Wyden are urging Republican leadership to bring the bill to the Senate floor.

The White House continues to encourage Congress to pass bipartisan legislation to address drug pricing, with the President's Fiscal Year 2021 [budget proposal](#) assuming the passage of drug pricing legislation. President Trump acknowledged the Senate Finance legislation in his State of the Union address earlier this month, and Vice President Pence has since endorsed the bill. Meanwhile, the Administration continues to float the possibility of moving forward with a Medicare demonstration in which private vendors would negotiate and purchase Part B drugs based on international prices.