Pricing under pressure

Six fixes policymakers are exploring to contain drug spending

1. Medicare negotiation
   - Permit Medicare to negotiate for better prices under Part D
   - Accelerate closure of Medicare Part D gap

2. Medicaid initiatives
   - Lift the prohibition on government agencies to use comparative effectiveness research to help inform coverage decisions and pricing negotiations

3. Comparative effectiveness
   - Permit Medicare to negotiate for better prices under Part D
   - Accelerate closure of Medicare Part D gap

4. Transparency initiatives
   - Require companies to be transparent on net pricing after discounts/rebates/chargebacks
   - Impose fines on manufacturers who increase prices
   - Drive greater transparency on drug makers’ R&D spending and regulate margins

5. Competition
   - Allow importation of drugs from licensed pharmacies in other countries (such as Canada)
   - Reduce market exclusivity for branded products
   - Increase generic competition
   - Clarify or remove potential regulatory barriers to value-based contracts
   - Ensure patent protection around the globe

6. Federally-funded innovation
   - Recover federal investments from successful drug developers (Bayh-Dole)
   - Increase funding for NIH to conduct clinical trials

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