

THE DANGERS OF GOVERNMENT “NEGOTIATION”

Some members of Congress are considering changes to Medicare that could have a devastating effect on millions of Americans. Proponents call these changes government “negotiation,” but they are anything but that. They want to repeal a key provision of the Medicare Part D program – the noninterference clause – that protects coverage and access to medicines for seniors and people with disabilities.

REPEALING THE NONINTERFERENCE CLAUSE...

...can only save money if we sacrifice access to medicines.

CBO has repeatedly found that permitting government “negotiation” in Part D **could only save money if we also sacrificed the choice of and access to medicines** that people with Medicare have today.

In an attempt to save money, the government would likely have to **implement formularies that restrict which medicines seniors and people with disabilities can get in Part D** – interfering with what their doctors may have prescribed.

...would allow the government to heavily control medicine availability.

The repeal of the noninterference clause moves the United States closer to a **single national list of approved medicines** for Part D, similar to how some governments in other countries heavily control which medicines are and are not available to their citizens.

For example, in countries like France and Canada, **people have access to fewer new medicines and wait longer to get the medicines they need.**

Instead of repealing important protections like the noninterference clause, we need to lower what people pay out of pocket for medicines and ensure Americans have access to the treatments their doctors prescribe. There’s a way to do both, but government “negotiation” isn’t it.

Medicare Part D could work better and be made fairer by improving affordability and predictability for seniors and people with disabilities who face high out-of-pocket costs for their medicines. Improvements to Part D must be done the right way, with targeted and measured reforms.



CAP ANNUAL OUT-OF-POCKET COSTS.

Most patients with commercial insurance coverage already benefit from an annual limit on out-of-pocket costs. But this is not the case for seniors and those with disabilities in Part D. We need to cap annual out-of-pocket costs in Part D.



LOWER COST SHARING AND MAKE IT MORE PREDICTABLE.

We should lower the amount of cost sharing seniors and people with disabilities have to pay in Part D and spread their cost sharing across the year to give more predictability and peace of mind about what they'll pay each month at the pharmacy.



SHARE SAVINGS AT THE PHARMACY COUNTER.

The rebates and discounts pharmaceutical manufacturers negotiate with Part D health insurance plans often are not directly used to lower beneficiary out-of-pocket costs. We must ensure these savings are passed on to seniors and people with disabilities at the pharmacy counter.

We can achieve those goals, but government price setting proposals are not the answer. If implemented, they could have devastating consequences for patients' access to medicines and future innovation.