

U.S. Rep. Gallagher: Lead bipartisan call for Congress to lower prescription drug prices

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WASHINGTON, D.C. — Rep. Mike Gallagher (R-WI), alongside Rep. Jared Golden (D-ME), today led a letter to House and Senate leadership urging them to put forward a bipartisan proposal to lower prescription drug prices. In the letter, the lawmakers laid out a plan that combines the common elements from legislation passed by the Democratic-led House of Representatives and the Republican-led Senate Finance Committee to reduce the costs of prescription medication.

The lawmakers wrote, “Members of the House and Senate, as well as the president, agree that bipartisan legislation to help lower the cost of prescription drugs must be a top priority this Congress. With the ongoing coronavirus pandemic creating both health impacts and economic disruptions for millions of Americans, the time is right to work together on legislation that incorporates common provisions from both the House and Senate drug pricing proposals to bring real relief to Americans struggling with prescription costs.”

The lawmakers identified five areas of agreement between the two bills, which include:

1. Capping out-of-pocket costs for Medicare beneficiaries and other Medicare Part D reforms;
2. Mandating documentation and explanation from manufacturers justifying abnormal price spikes;
3. Make generic prescriptions more available to consumers by reforming intellectual property regulations for pharmaceuticals;
4. Making Pharmacy Benefit Managers’ roles more transparent, to ensure they’re working on the consumers’ behalf;
5. Making quality metrics for Medicare Part D standardized.

The bill passed by the Senate Finance Committee has the [endorsement](#) of the White House. The full letter is available [HERE](#) and found below.

Dear Speaker Pelosi and Leader McConnell:

We write to urge you to work together on bipartisan, bicameral consensus legislation to bring relief to Americans struggling with prescription drug costs. Members of the House and Senate, as well as the President, agree that bipartisan legislation to help lower the cost of prescription drugs must be a top priority this Congress. With the ongoing coronavirus pandemic creating both health impacts and economic disruptions for millions of Americans, the time is right to work together on legislation that incorporates common provisions from both the House and Senate drug pricing proposals to bring real relief to Americans struggling with prescription drug costs. Amidst all of the challenges facing our country, Congress must not lose sight of how a cap on Medicare Part D out-of-pocket costs will help millions of seniors and people with disabilities, or how broader reforms to the prescription drug marketplace will benefit millions more Americans.

Both the House and the Senate have proposed legislation to redesign the Medicare Part D prescription drug benefit—one of the most important reforms that Congress should enact. The redesign's key provision is the cap on out-of-pocket costs for seniors, which will help restore a measure of financial certainty to beneficiaries. Complementary changes to incentives in the costsharing structure for drug manufacturers and plan sponsors to keep drug prices low should help provide relief even for beneficiaries who do not reach the new out-of-pocket maximum. Any drug pricing effort should be certain to include this redesign so that seniors can realize tangible benefits from the legislation.

In addition to reforming the Medicare Part D prescription drug benefit, we see at least four other bipartisan provisions that should be candidates for enactment into law this year:

First, require drug manufacturers to document and explain their reasoning for implementing price spikes that exceed certain thresholds. Similar provisions to enact this type of requirement have been included in bipartisan legislation in the Senate, as well as in the leading drug pricing bills from each caucus in the House.

Second, bring more generics and biosimilars to market through pharmaceutical intellectual property reforms. In particular, a ban on pay-for-delay agreements is one proposal that has significant bipartisan support. Further, a related effort to reform the exclusivity period afforded to a first generic drug applicant that has not yet received final approval has appeared in bipartisan bills in both chambers. Improving patent transparency for biologics is another worthwhile component of IP reform that has seen bipartisan support.

Third, reform the role of pharmacy benefit managers (PBMs) to ensure they are acting in ways that lower drug costs for consumers and taxpayers. There are a number of bicameral, bipartisan ideas to increase transparency around PBM practices, including direct and indirect remuneration fees. There should be full consideration of these provisions, as well as provisions to prevent the abusive use of spread pricing.

Fourth, standardize pharmacy quality metrics across Medicare Part D, so that prescription drug plan incentives work in concert to improve outcomes for beneficiaries. All four major drug pricing reform efforts with jurisdiction over Medicare Part D accomplish this goal.

As this letter makes clear, there are numerous provisions to control prescription drug prices that have the support of members of both parties across both chambers and that are ready to be enacted into law. Our constituents should not be forced to choose between managing their blood sugar and heating their home; between paying their hospital bill and paying their rent; or between treating their cancer and stocking their pantry. The status quo is a danger to public health, so it is time to ensure that Americans can afford their medications. We look forward to working with you to enact meaningful solutions to this problem.

Sincerely,

Rep. Mike Gallagher (R-WI)

Rep. Jared Golden (D-ME)

Rep. Brian Fitzpatrick (R-PA)

Rep. Harley Rouda (D-CA)

Background:

Rep. Gallagher has been a strong advocate for finding [bipartisan ways](#) to increase transparency in the health care industry as a way to lower prescription drug prices. This Congress, he introduced H.R. 1409, the bipartisan [Transparency in all Healthcare Pricing Act](#), and H.R. 3805, the [Prescription Drug Rebate Reform Act](#) of 2019, both of which would lower drug prices and make them more transparent to the consumer. He is also a co-sponsor of the H.R. 965, the [CREATES Act](#), which was signed into law last December. This bill ensures greater access to generics and prohibits anti-competitive behavior by drug companies.