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What Does the Future Hold for Drug Pricing?

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On Tuesday, executives from seven of the largest pharmaceutical companies testified before the Senate Finance Committee on rising prescription drug prices. While the hearing was expected to be packed with fireworks as Senators of both parties grilled the nation's top pharmaceutical executives, it was largely uneventful.

As expected, the executives shifted blame to other actors in the drug industry, or suggested that any reforms would need to be system-wide in order to truly improve access and affordability for patients. The drugmakers also expressed opposition to the Administration's international drug price index proposal as well as allowing the government to directly negotiate lower prices in Medicare.

The executives also expressed support for the bipartisan CREATES Act, which would save the government an estimated $3.9 billion over ten years if enacted. CREATES is designed to facilitate market entry of certain generic drugs or biosimiliar products by requiring manufacturers to share sufficient quantities of samples with developers. The bill is expected to pass this Congress.

As drug pricing remains a top priority in Congress and among voters, expect conversations around drug pricing legislation to continue. One area of bipartisan interest during this week's hearing centered around perceived price gouging. With insulin costs rising, not to mention other common products, this could be an area where Congress looks next to understand how companies raise prices.

For ML Strategies' complete coverage of the Senate Finance hearing, please **click here**.

Authors