



Press Release

Baseball, Arbitration, and Drug Prices

ANDREW EVANS | JUNE 27, 2019

With arbitration between the government and drug manufacturers gaining attention as a potential way to reduce drug prices, AAF's Director of Health Care Policy Christopher Holt examines the mechanics and potential impact of such a policy. Government-imposed arbitration would be a marked departure from how the U.S. government has historically worked with private products and markets, Holt notes, and could have serious implications for access and future innovation.

An excerpt:

*News reports have indicated that the Part D arbitration proposal being developed by Speaker of the House Nancy Pelosi would designate the Government Accountability Office as the arbitrator, after progressive members of the House Democratic Caucus objected to a neutral third party being selected. Under such a scenario, the government and a drug manufacturer would go to arbitration after failed price negotiations—with the government also serving as arbitrator. **If it is the government deciding between the government-proposed price and the industry-proposed price, that scenario begins to look like thinly-veiled government price setting.***

[Read the analysis.](#)