



Insight

Prescription Drug Follies

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At exactly the same time that a bipartisan bill is making a great stride forward for Medicare in the House of Representatives, the Senate is poised to vote on a great step backward. Specifically, Senator Jack Reed is offering an amendment to the Senate budget resolution with the purpose of “making prescription drugs more affordable for seniors and for tax-payers by requiring the Secretary of Health and Human Services to negotiate prescription drug costs under the Medicare program.”

This is a shot at the “noninterference” clause in the Medicare Part D prescription drug program, which bars the Secretary of Health and Human Services from intervening in negotiations between drug manufacturers, pharmacies, and privately administered Part D drug plans.

This has been tried before – most recently an [attempt](#) last year by the Obama Administration – and the great mystery is WHY? The Congressional Budget Office has said [again](#) and [again](#) that the basic premise is just wrong. It won’t save money. Specifically, “the Secretary would be unable to negotiate prices across the broad range of covered Part D drugs that are more favorable than those obtained by (Prescription Drug Plans (PDPs)) under current law.”

One might argue that a vote on an amendment to the budget resolution is harmless. But votes are often a [preview of electoral fights](#). It is always a mistake to let political theater go unchallenged and lead to bad policy.