Press Release

Poor Incentives in the Prescription Drug Market: An Anticoagulant Case Study

PAULINA ENCK | APRIL 16, 2024

Both the United States and the United Kingdom (UK) have established price-control regulations that apply to the most widely used medications – specifically, those medications with the overall highest spending, rather than those with the highest spending per beneficiary – including anticoagulants used to prevent stroke and stroke-related events. In a new insight, Director of Health Care Policy Laura Hobbs examines the potential impact of these regulations through a case study of anticoagulant Eliquis to demonstrate the harms of drug price control schemes that favor short-term government savings over long-term benefits to both patients and governments.

Key points:

- The Centers for Medicare and Medicaid Services continues to negotiate a maximum fair price for the top 10 most used drugs in Medicare effective 2026 with additional products phased-in over the coming years, while the UK's voluntary drug pricing scheme will require double-digit rebates from manufacturers and set a low rate of allowable growth in overall market sales until 2029.
- The pricing schemes in both countries do not seem to recognize the value these drugs provide to the health care system in terms of their long-term budgetary savings from reduced hospitalizations; indeed, these price-control schemes come with potential long-run costs that would reduce utilization, thereby increasing hospitalization costs.
- Notably, the United States and UK demonstrate similar rates of anticoagulant use, face similar costs for inpatient stroke care, and have a similar percentage of people over 65, making a comparative case study useful.

Read the analysis