

Press Release



The Consequences of an International Pricing Index for Medicare Part B Drugs

ANDREW EVANS | JANUARY 7, 2019

With momentum building for action on drug prices in Congress, AAF's Deputy Director of Health Care Policy Tara O'Neill Hayes examines in depth the potential consequences of the administration's proposal to create an "international pricing index" for Medicare Part B drugs.

"The administration's objective to reduce the cost of drugs and increase Americans' access to necessary medicines is laudable," Hayes writes. "The solution that has been proposed here, however, is not likely to achieve that objective, and in fact, could result in significant undesirable repercussions," such as:

- **The development of new treatments could slow**, as the proposal could cut revenues that are used to fund research and development, potentially preventing the development of as many as three new drugs each year;
- **Americans not covered by Medicare could pay more for their drugs**, as drug manufacturers raise prices to recoup lost revenue; and
- **Americans could face restricted access to drugs** similar to the countries on the index, where only 48 percent of new drugs are available on average because of price restrictions.

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