

## Press Release



# Why the Federal Government Should Not Negotiate Drug Prices Directly

ANDREW EVANS | MAY 21, 2018

AAF's Deputy Director of Health Care Policy, Tara O'Neill Hayes, examines the plausibility of the federal government negotiating drug prices directly with manufacturers. Many are proposing this kind of negotiation as a solution to high drug prices in the United States. Looking at both the structure of the federal health care programs and the nature of negotiations, Hayes finds several flaws with the proposal, including:

- The federal government, in reality, has fairly limited leverage over drug manufacturers;
- Negotiations likely would have limited impact on single-source drugs—the very ones likely to have the highest prices;
- Direct federal negotiations in Medicare Part D would likely change the program dramatically, and for the worse; and
- Negotiating would likely lead to the same restricted choices for patients that beneficiaries of other federal programs face.

[Click here](#) to read the analysis.