



# HOUSE COMMITTEE ON **OVERSIGHT AND REFORM** CHAIRWOMAN **CAROLYN B. MALONEY**

## **Provisions to Lower Drug Prices in the Build Back Better Act**

*The Oversight and Reform Committee's investigation has shown that drug companies are targeting the U.S. market, and Medicare specifically, for high prices and anticompetitive business practices. The House-passed Build Back Better Act contains several provisions to meaningfully lower drug prices and reduce costs for patients.*

### ➤ **Medicare Negotiation for Lower Drug Prices**

The Build Back Better Act will empower the Secretary of HHS to negotiate lower prices for some of the costliest drugs to Medicare Part D and Part B.

The drugs subject to negotiation are high-priced drugs that have been on the market without competition for several years (9 years for small molecule drugs and 13 years for biologics). The Secretary will also be empowered to negotiate for insulin products.

Negotiated prices are capped. The longer a drug has been on the market, the lower the maximum negotiated price.

Negotiations will start with up to 10 drugs in plan year 2025, increasing to up to 20 drugs in plan year 2028 and later.

### ➤ **Rebates if Prices Rise Higher Than Inflation**

The bill disincentivizes companies from unfairly raising prices on patients by requiring companies that raise a drug's price faster than the rate of inflation to provide a rebate back to the federal government.

### ➤ **Cap on Out-of-Pocket Costs**

The bill will set a \$2,000 cap on how much patients pay out of pocket for their prescription drugs. The bill also includes a \$35 per month cap on insulin for patients in Medicare part D and the commercial market.

### ➤ **Medicare Benefit Redesign to Reduce Prices**

The bill reforms the Medicare Part D benefit structure to shift liability for catastrophic costs from Medicare to manufacturers and health plans, putting downward pressure on prices and incentivizing plans to lower costs for beneficiaries.