

Amendment to the Amendment in the Nature of a Substitute to H.R. 6142 Offered by Rep. Chu

This Amendment would require the Secretary of the Department of Health and Human Services to conduct a study on the implications of giving the Secretary authority to negotiate drug prices under the Medicare Part D drug program.

Specifically, the study would explore the effect this Secretarial negotiating power has on lowering costs while maintaining beneficiary access to such drugs.

The Amendment describes Congress' findings about Medicare drug prices, including that:

- Neither President Trump nor Congressional Republicans have taken action on the rising prescription drug prices, while providing significant tax cuts to pharmaceutical companies.
- 12 out of 20 of the most commonly prescribed brand-name drugs under Medicare witnessed increases of more than 50 percent in the most recent five-year period.
- 16 of the top 20 best-selling drugs increased significantly in price in the first year of the Trump Administration.

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 6142
OFFERED BY MS. JUDY CHU OF CALIFORNIA**

Add at the end the following new section:

1 **SEC. ____ . STUDY ON NEGOTIATION OF DRUG PRICES**

2 **UNDER PART D.**

3 (a) **FINDINGS.**—Congress finds the following:

4 (1) President Trump promised he would take
5 action on prescription drug prices, but to date nei-
6 ther the Trump Administration nor the Republican
7 Congress has taken action to address the issue.

8 (2) 12 out of the 20 most commonly prescribed
9 brand-name drugs for seniors had their prices in-
10 crease by over 50 percent in the most recent 5-year
11 period for which there is data. 6 of the 20 had price
12 increases of over 100 percent.

13 (3) Data indicates that 16 of the top 20 best-
14 selling drugs in the United States increased signifi-
15 cantly in price in the first year of the Trump Ad-
16 ministration, mostly by double digits.

17 (4) While drug prices are spiking for con-
18 sumers, pharmaceutical and other health care cor-

1 porations will receive \$100 billion in tax cuts over
2 the next 10 years from the Republican tax law.

3 (b) STUDY.—Not later than 1 year after the date of
4 the enactment of this Act, the Secretary of Health and
5 Human Services (in this section referred to as the “Sec-
6 retary”) shall conduct a study and submit to Congress a
7 report examining if giving the Secretary authority to nego-
8 tiate drug prices under part D of the Medicare program
9 would help lower costs with respect to such drugs for
10 Medicare beneficiaries and the Federal Government while
11 maintaining access to such drugs for such beneficiaries.
12 Such report shall include an analysis of how negotiation
13 of such prices by the Secretary could—

14 (1) lower the amount that such beneficiaries
15 owe in cost sharing with respect to such drugs while
16 maintaining access for such beneficiaries to needed
17 medicines; and

18 (2) lower the amount the Federal Government
19 expends with respect to such beneficiaries, including
20 through reduced premiums under part D of the
21 Medicare program, the reinsurance subsidy, cata-
22 strophic costs, and other costs identified by the Sec-
23 retary.

