

**Overview of Medicare Proposals
Featuring Government Negotiations &
Inflation-Based Limits on Drug Prices**

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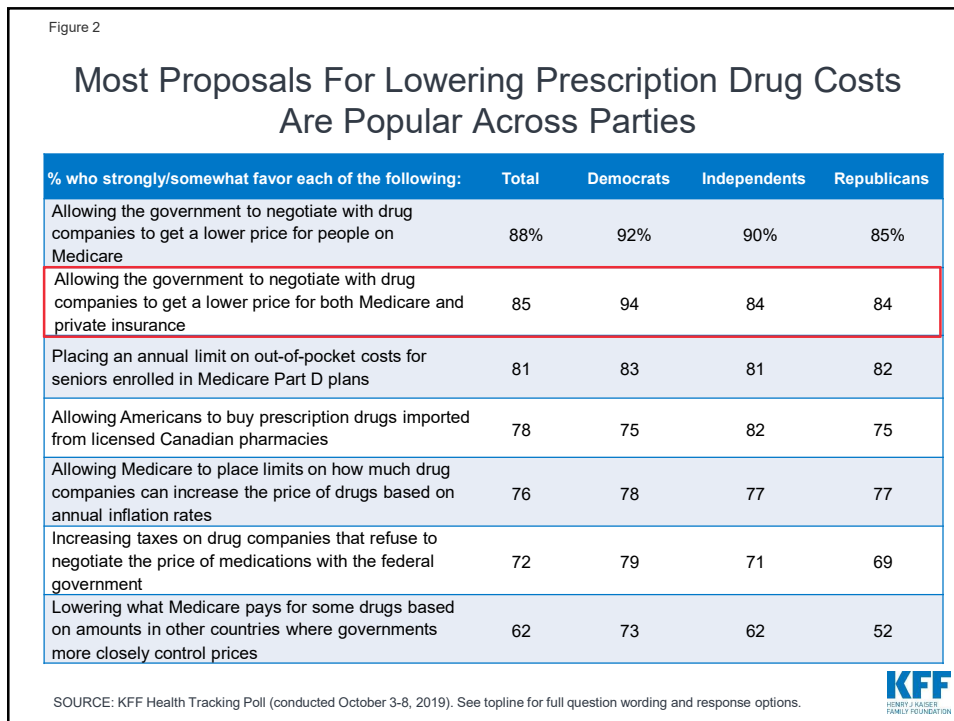
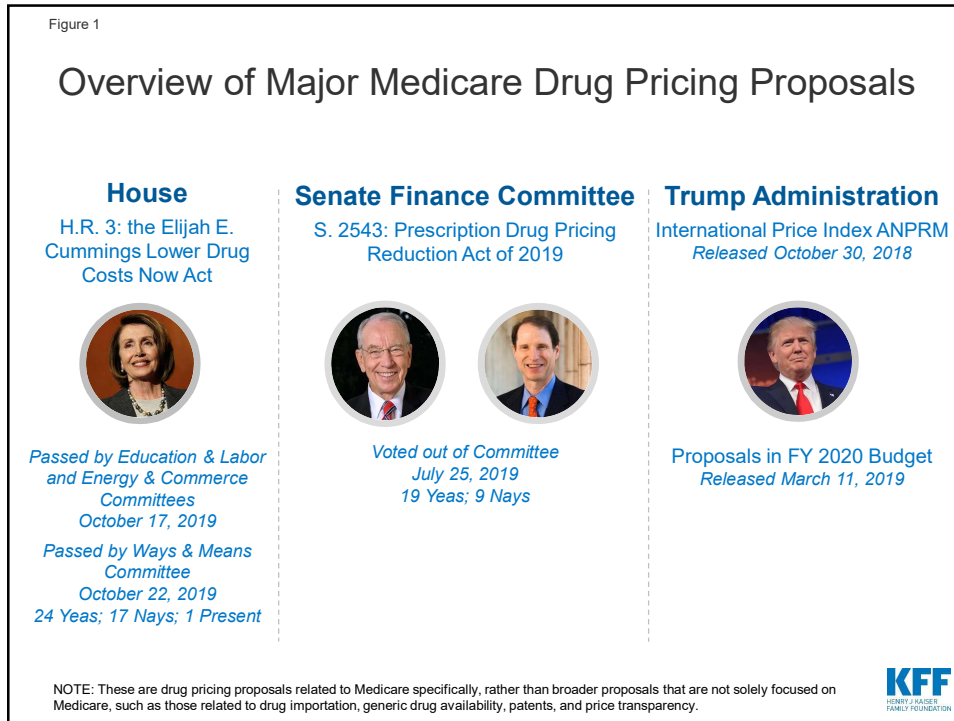
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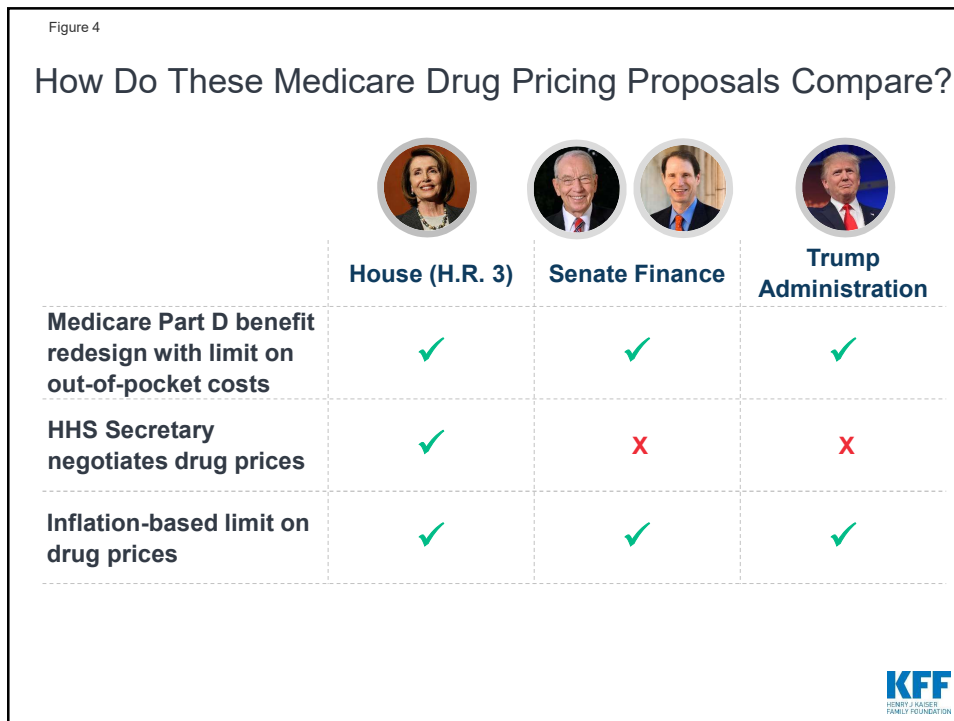
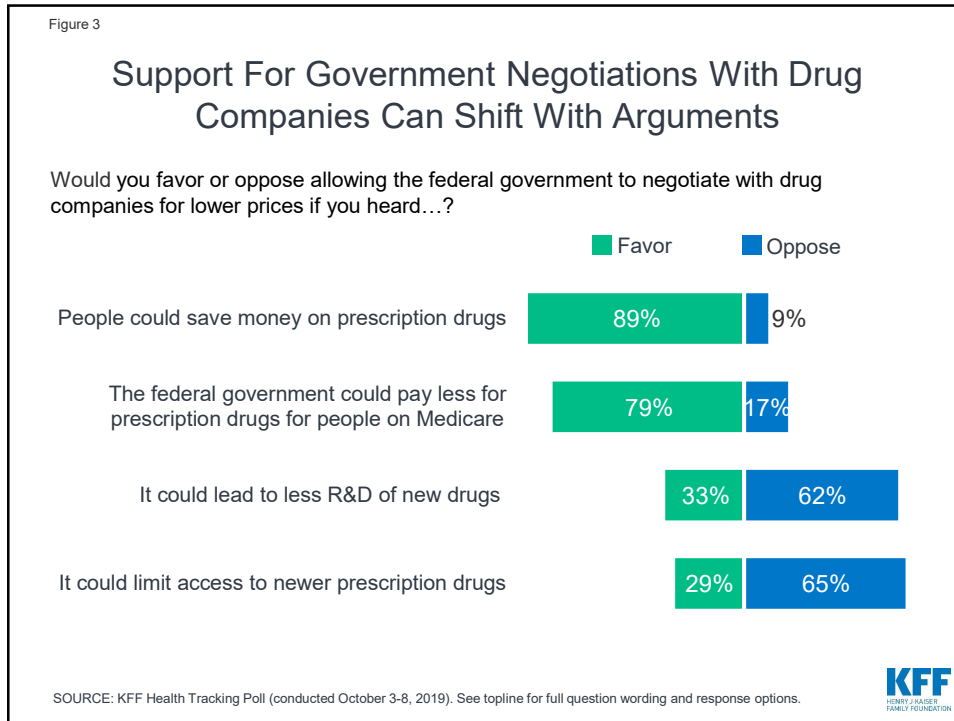
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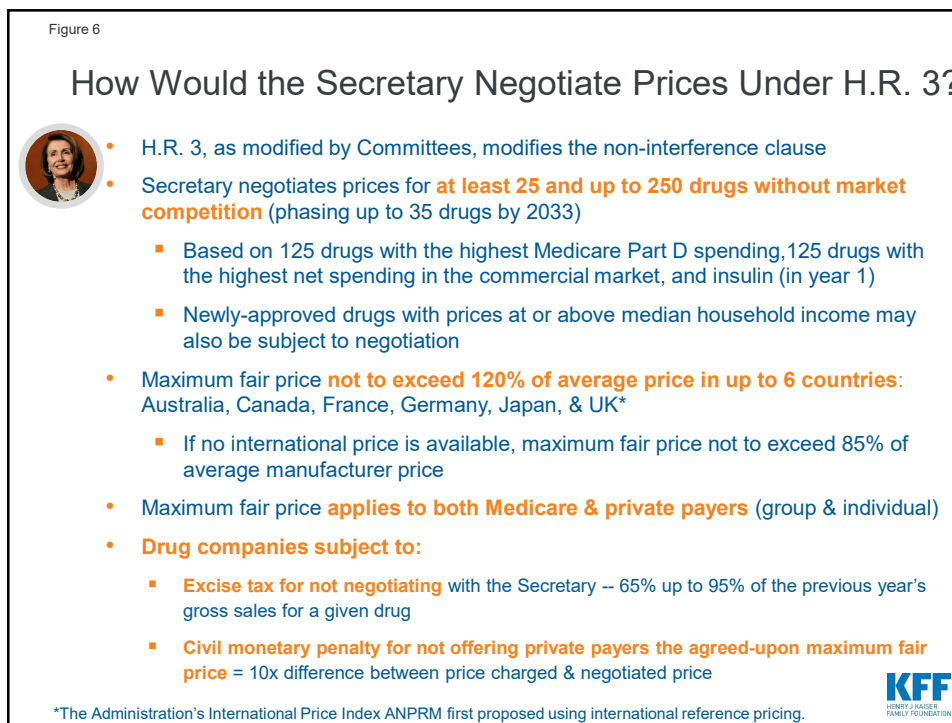
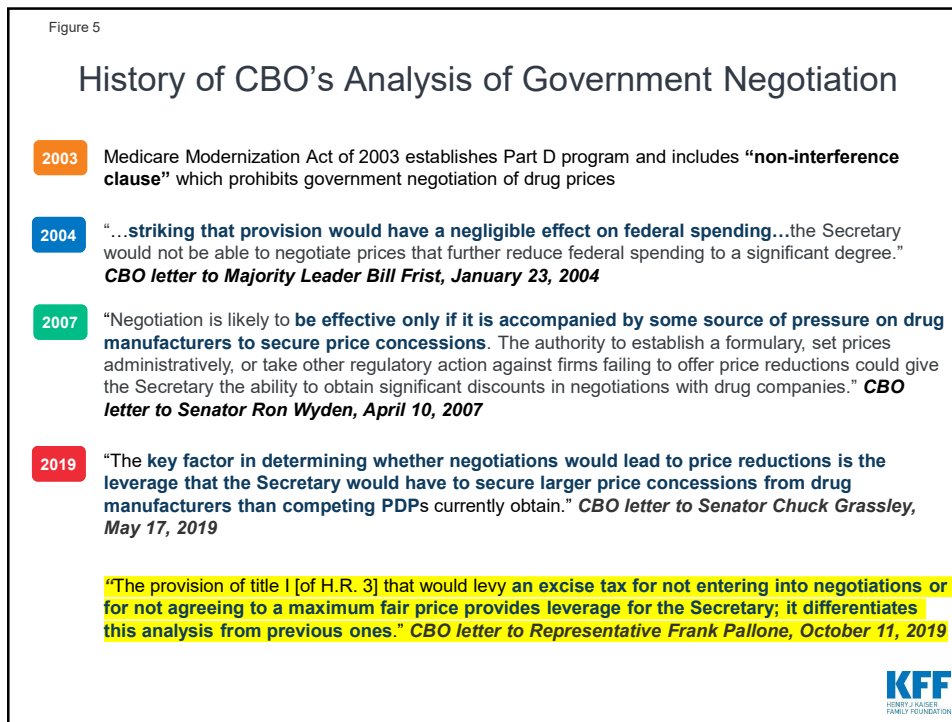
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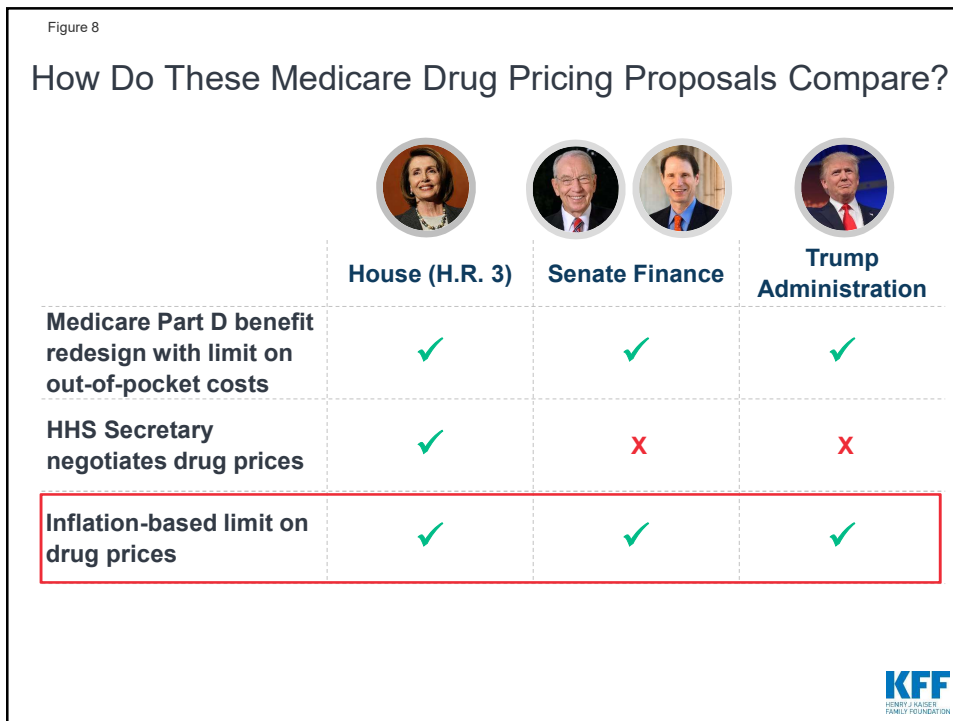
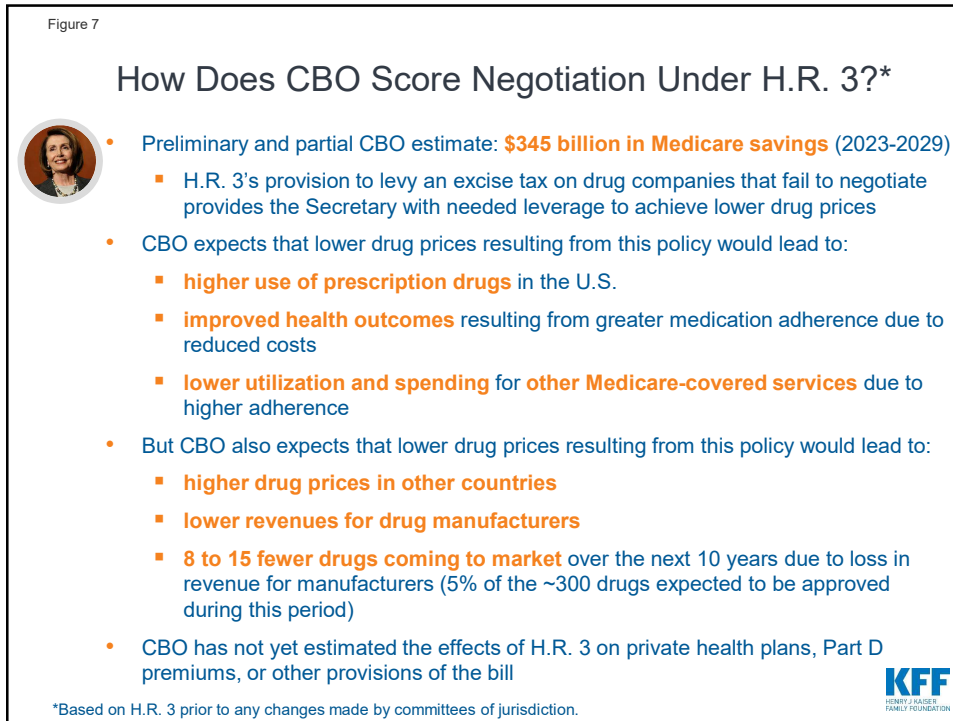
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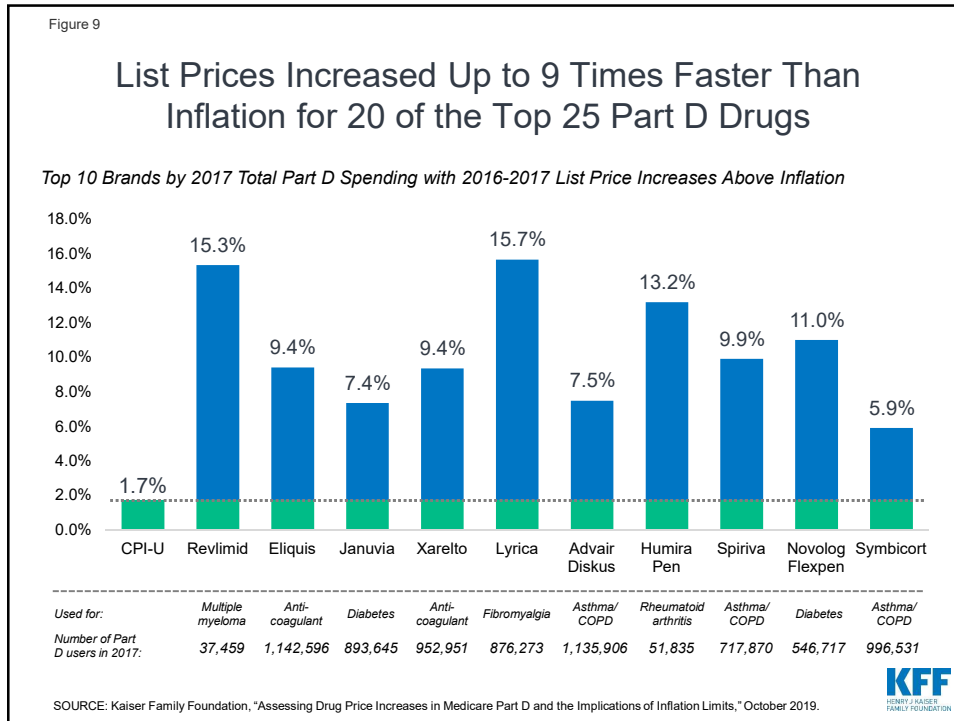
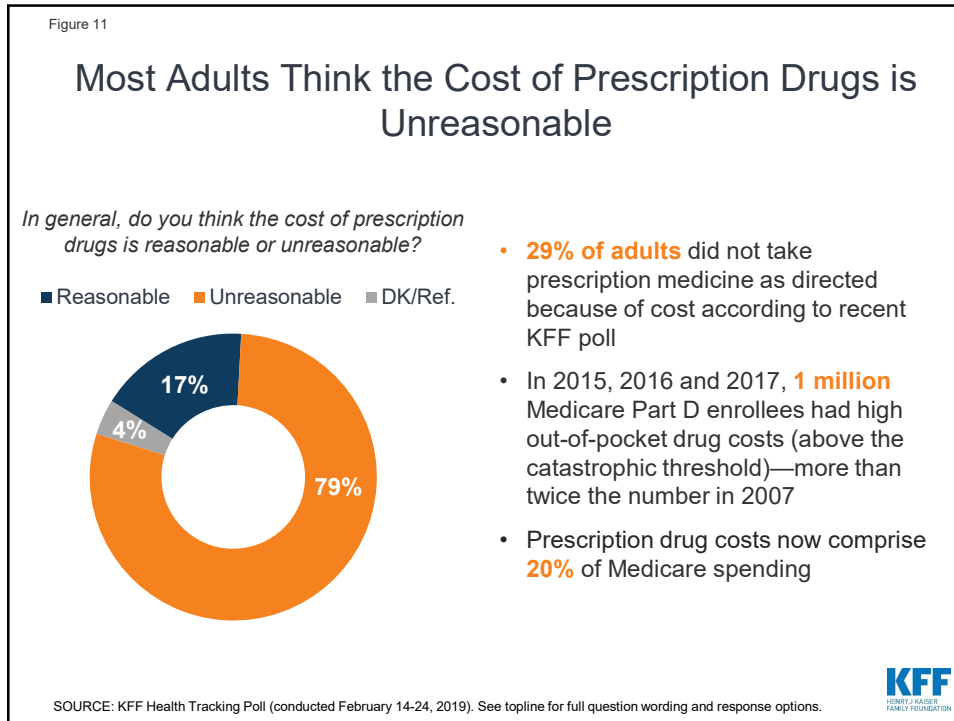


Figure 10

How Would Proposals Use Inflation Rate to Limit Drug Price Increases?

	House (H.R. 3)	Senate Finance	Trump Administration
Applies to Part B/Part D	Both	Both	Part B only
Applies to all drugs (brands/generics)	Part B: brands, biologics, and biosimilars Part D: All drugs	Brands and biologics only	Not specified
Require rebate for drug price increases faster than inflation	✓	✓	Not applicable*
Penalty if rebate not paid within 30 days	Rebate + 25%	Rebate + 25%	Not applicable*
Base year for determining inflation-adjusted price	2016	2019	2018

*Under this proposal, outlined in the President's FY 2020 Budget, CMS would not pay more for a Part B drug than the inflation-adjusted price, so rebates would not be needed.



Medicare Resources on KFF.org

- ✓ Assessing Drug Price Increases in Medicare Part D and the Implications of Inflation Limits (NEW)
- ✓ What's the Latest on Medicare Drug Price Negotiations? (NEW)
- ✓ How Will The Medicare Part D Benefit Change Under Current Law and Leading Proposals? (NEW)
- ✓ The Out-of-Pocket Cost Burden for Specialty Drugs in Medicare Part D in 2019
- ✓ 10 Essential Facts About Medicare and Prescription Drug Spending
- ✓ How Much Does Medicare Spend on Insulin?
- ✓ A Look at Recent Proposals to Control Drug Spending by Medicare and its Beneficiaries
- ✓ Overview of the Medicare Part D Prescription Drug Benefit

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