What Would (Should) CMS Do?

A Debate on Options for Drug Price Negotiations

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The Inflation Reduction Act

Caps on OOP $

Inflation Rebates

Price Negotiation
CMS Guidance (March 2023)

• “Therapeutic alternatives” to guide:
  – Assessment of clinical benefit of chosen drugs
  – Foundation for price setting
• All indications/doses grouped together
• Alternatives selected based on:
  – Clinical guidelines
  – Other published evidence
  – Submissions from industry and others
• Up to 3 negotiating sessions
SO WHAT DO
WE DO NOW?
What CMS Can Consider

• R&D costs
• Federal R&D support
• Production/distribution costs
• Data on pending and approved patents
• Market data on revenues in US
• Alternative treatments
• Comparative effectiveness and prescribing information on drugs and alternatives
• Unmet need
What CMS Cannot Consider

QALYs
Directions CMS Could Go

- (Non-QALY) CEA
- Clinical benefit rating
- “Multi-modal” (e.g., MCDA, SROI)
- +/- reference pricing?

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Thank You!

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