



## Sources Describe Pelosi's Closely Held Drug-Price Negotiation Plan

By Rachel Cohrs

May 8, 2019 at 5:49 PM

House Speaker Nancy Pelosi's (D-CA) office is working on a drug-price negotiation bill that would use arbitration as a backstop to price negotiations between HHS and drug makers on high-cost drugs, and the resulting price could be available to other payers, not just to Medicare plans, sources briefed on the plan told *Inside Drug Pricing*.

The proposal would allow for initial negotiation between HHS and drug makers, according to sources briefed by Pelosi aide Wendell Primus. If those negotiations fail, [both parties would proceed to baseball-style arbitration](#), at which point a third-party arbiter would choose either the price offered by the government or the drug maker.

Primus told stakeholders the negotiated price would be an "all-payer" price, which means it would extend beyond the Medicare program, though it is unclear exactly what that term means.

The enforcement mechanism for the process is an excise tax tied to price, though sources said details are murky.

**The negotiation and arbitration process would apply to high-cost drugs**, and the amount of competition drugs face could also be a factor in which drugs qualify. The negotiation process would include a fact-finding period, during which HHS could obtain certain information from drug makers and outside sources, such as the Institute for Clinical and Economic Review.

For drugs that do not qualify for the negotiation process, the plan would institute an inflationary rebate to curb price increases.

Pelosi's office plans to release a summary of the plan before unveiling the legislative text, sources said.

A spokesman for Pelosi did not respond to a request for comment for this story. -- *Rachel Cohrs* ([rcohrs@jwpnews.com](mailto:rcohrs@jwpnews.com))

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