

(Washington, DC) – A new survey by The Senior Citizens League (TSCL) evaluates support for several approaches that would allow Medicare to negotiate prescription drug costs. About 86 percent of survey participants favor allowing Medicare to negotiate drug prices on behalf of the roughly 60 million Medicare beneficiaries. “Prescription drug costs have been rising, on average, about 14 percent per year over the past 18 years,” says Mary Johnson, a Medicare policy analyst for The Senior Citizens League. Johnson’s research on retiree costs has found that out-of-pocket prescription costs have grown by a total of 258 percent from 2000 to 2018, making it the fastest growing expenditure category that older Americans face. “That rate of increase is not sustainable for beneficiaries or for Medicare’s budget,” Johnson states.

Because Medicare does not negotiate drug prices, negotiation clout is split up over more than 10 Part D insurers and greater than two dozen drug plans in virtually every area of the country. “That has caused huge disparities in both the drugs that are covered by plans, as well as the overall prices of drugs,” says Johnson.

The survey examined support for three policy approaches that would allow Medicare to negotiate prices as illustrated in the following table: See Attachment

How Older Americans Think Medicare Should Negotiate Drug Prices

Approach	Support	Oppose	Not Sure
Similar to the Department of Defense and VA, Medicare would establish a formulary of drugs in order to negotiate steeper discounts. Some drugs might only have limited coverage or could be left off the formulary altogether.	61%	12%	27%
Medicare would use a “best price” system similar to state Medicaid programs. Drug manufacturers must provide discounts and rebates, but all prescription drugs would be covered with few exceptions.	70%	6%	24%
Medicare would base drug prices on those paid in other industrialized countries. Prices would be tied to an “international drug price index” that surveys the cost of drugs in nations where prices are negotiated by	72%	5%	23%

the government. President Trump has proposed something similar for reducing the cost of drugs covered under Medicare Part B.			
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“Allowing Medicare to negotiate prices would potentially provide greater access to life saving medications and save money for both retirees and taxpayers,” Johnson says. The Senior Citizens League is working for enactment of legislative measures that would lower prescription drug costs. To learn how to get involved, visit www.SeniorsLeague.org.

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With 1.2 million supporters, The Senior Citizens League is one of the nation’s largest nonpartisan seniors’ groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of The Retired Enlisted Association. Visit www.SeniorsLeague.org for more information.