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The non-partisan Congressional Budget Office (CBO) has reported that direct Medicare “negotiations” would NOT save the government money in terms of lower drug costs—unless the government also was given the power to impose formulary restrictions and reduced benefits. We shouldn’t give the government power to dictate what drugs seniors can obtain through a “one-size-fits-all” plan.

By contrast, the current Medicare prescription drug program, known as Part D, provides seniors choice and competition and has been widely successful, keeping total costs low—$349 billion lower than the initial CBO 10-year projections. This has been accomplished due to aggressive competition among large, sophisticated insurers that already negotiate significant rebates and discounts from drug companies. The Medicare program benefits from this market-based competition that continues to drive drug prices lower.

As we’ve seen in other countries, governments don’t “negotiate” drug prices, they dictate them. And like all price controls, such government-set prices will lead to less supply, less innovation, and less access for American patients to the drugs they truly need.

In fact, research shows that, if the United States had adopted EU-style price controls in the past, the world would have 117 fewer new medicines today.

Over 200 patient groups have sent a letter to Congress expressing opposition to proposals that would allow the Secretary of Health and Human Services (HHS) to interfere in private negotiations in the Medicare Part D program. The letter outlines concerns that such proposals could undermine Part D’s competitive structure and restrict access for millions of seniors and individuals with disabilities.