



AFSCME Urges Congress to Lower Prescription Drug Prices

Medicare has helped millions of older Americans see a doctor, get the hospital care they need and access to the miracle of modern medicines. But access means nothing when the price of a needed prescription drug is out of reach.

- Seniors on Medicare are often forced to cut pills or skip doses because of the price of their drugs.
- Enormous drug company profits are the primary driver of soaring prescription drug prices in America.

We need bold legislation that puts the federal government on the side of all Americans by negotiating directly with prescription drug corporations for lower prices.

- H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, will lower drug prices, including for insulin, regardless of whether people get their health coverage through a job, the Affordable Care Act (ACA), Medicare or other insurance.
- Congress must stop drug corporations from raising drug prices faster than inflation regardless of whether people get their health coverage through a job, the Affordable Care Act (ACA), Medicare or other insurance. H.R. 3 as introduced only protects Medicare.
- Congress must also stop drug corporations from launching drugs at sky high prices, especially when these so-called new drugs are no more effective than existing medicines.

The Importance of Negotiating for All – Not Just Medicare

If Congress takes action to limit government negotiations to lower only Medicare drug prices, then drug manufacturers would likely seek to raise prices elsewhere. This would harm those of us who rely on job-based or private insurance, which in 2019 accounted for 56% of the population (compared to 14% who get their coverage through Medicare). In 2017, employer and individual health plans accounted for the largest share of retail prescription drug spending (42%), followed by Medicare (30%).

The Importance of Limiting Price Increases to Inflation for All – Not Just Medicare

Drug corporations raise prices faster than the rate of inflation for all Americans because there is no law or enforceable policy to stop them. For retirees and working families that means the cost of needed medicines eats up more and more of their income each year. [From 2007 to 2018](#),

net prescription drug prices increased every year 3.5 times faster than inflation. Drug corporations have not stopped increasing prices because of the pandemic. [In January 2021](#), the list price of over 800 brand name and generic drugs increased by an average of 4.5%, nearly double the rate of inflation. If Congress limits drug price increases to inflation, but only for Medicare, there is a too great a risk that drug corporations will then raise prices on other purchasers, like group health plans. Congress must not give drug corporations a loophole to keep raising prices.

The Importance of Limiting Sky-High Launch Prices of New Drugs

Some new drugs are truly groundbreaking and innovative. But too often drug corporations launch a new drug with an eye-popping price tag even though the drug is not more effective than existing medicines. Even with truly innovative drugs, U.S. taxpayers, not the drug corporations, fund the needed research to make it possible to develop these drugs. Drug corporations are falsely claiming that the launch prices are so high because they need to recoup research costs.

Congress must pass H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, and other needed prescription drug reforms as soon as possible.

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