

Medicare drug rebate plan withdrawn by Trump administration

July 12 2019



(HealthDay)—A plan to let Medicare patients receive rebates that drug

companies currently pay to insurers and middlemen has been withdrawn by the Trump administration.

The rebates would have been paid directly to seniors in the Medicare Part D program when they filled their prescriptions. The goal of the much-touted plan was to reduce the financial burden of expensive medications for seniors, but there was resistance from within the White House and from insurers, employers, and pharmacy benefit managers, the *Associated Press* reported.

Critics of the plan got a boost when the nonpartisan Congressional Budget Office estimated it would have little effect on [drug prices](#) and would cost Medicare \$177 billion over 10 years due to higher taxpayer-subsidized premiums. The drug industry supported the plan over other proposals being considered by lawmakers, the *AP* reported.

The rebate plan was withdrawn "based on careful analysis and thorough consideration," according to White House spokesman Judd Deere, who said the administration is looking at bipartisan legislation in Congress to lower drug prices. There are bills that would cap drug copays for people with Medicare. Currently, some patients taking costly medications for cancer, rheumatoid arthritis, and other conditions have copays on par with a mortgage payment, the *AP* reported. Another proposal is for "inflation rebates" that [drug companies](#) would pay directly to Medicare if they boost prices beyond a yet-to-be-set point.

More information: [AP News Article](#)

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Citation: Medicare drug rebate plan withdrawn by Trump administration (2019, July 12) retrieved 26 April 2024 from

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