



Ensuring Prescription Drug Access and Affordability

Support policies that improve the pricing and transparency, and increase access, affordability, and availability of prescription drugs.

Why is Action Needed?

Prescription drug costs continue to rise, affecting access to life-saving treatments for patients who are unable to afford higher prescription and out-of-pocket costs, higher co-pays and more tiered drug pricing. More than [131 million Americans use prescription drugs](#) with many facing the difficult choice of filling their prescriptions, or paying for other necessities and resorting to cutting back and skipping doses of their medicines, which can lead to serious health complications.

As outlined in a [2019 ACP paper](#), the U.S. spends more on prescription drugs than other high-income countries, with average annual spending of \$1,443 per capita on pharmaceutical drugs and \$1,026 per capita on retail prescription drugs. According to a [study by the Rand Corporation](#), prescription drug prices in the United States are significantly higher than in other nations, with prices in the United States averaging 2.78 times those seen in 33 other nations.

The gap between prices in the United States and other countries is even larger for brand-named drugs, with U.S. prices averaging 4.22 times those in comparison nations.

The Inflation Reduction Act (IRA) requires the Secretary of Health and Human Services (HHS) to negotiate prices with drug companies for certain drugs covered under Medicare Part D (starting in 2026) and Part B (starting in 2028). When the negotiated prices go into effect in 2026, people enrolled in Medicare Part D are estimated to [save \\$1.5 billion in out-of-pocket costs](#). The continuation of the program is vitally needed.

Pharmacy benefit managers (PBMs) administer prescription drugs for more than 266 million Americans in private and public health plans, making them the principal purchasers of prescription drugs in the United States. An ongoing challenge is the lack of transparency in PBMs, with the contracts negotiated between health plans and PBMs for fees and the share of a rebate that is retained by the PBM are kept confidential. [Congress has considered legislation to prevent spread pricing](#) in Medicaid, a practice in which PBMs charge Medicaid more for a drug than it had paid to the pharmacy and to [delink a PBM's compensation](#) from a drug's list price in Medicare Part D beginning in January 2028.

In addition to rising prescription drug costs, [drug shortages](#) have been on the rise over the past several decades, leading to increased costs, additional labor efforts, and heightened safety concerns. Manufacturers provide the Food and Drug Administration (FDA) most drug shortage information, and the agency works closely with them to prevent or reduce the impact of shortages. Drug shortages are hindering patient access and adversely affecting medication adherence, leading to increased hospitalization and mortality rates.



ACP's Position

In 2016, ACP published [Stemming the Escalating Cost of Prescription Drugs: A Position Paper of the American College of Physicians](#), containing recommendations to improve transparency, value, and competition for prescription drugs, with the goal of creating a sustainable and affordable prescription drug marketplace. In 2019, ACP published [Policy Recommendations for Public Health Plans to Stem the Escalating Costs of Prescription Drugs: A Position Paper From the American College of Physicians](#) to offer additional recommendations for stemming the escalating cost of prescription drugs involving PBMs, decreasing out-of-pocket costs for patients, enhancing the government's purchasing power and addressing existing policies that add costs to the health care system. ACP's recommendations include:

- Modifying Medicare Part D low-income subsidy program cost-sharing and copayment structures to encourage use of lower-cost generic or biosimilar drugs.
- Continuing requirements of the IRA for drug price negotiation models that drive down the price of prescription drugs for beneficiaries.
- Implementing new policies to prevent market manipulation, help lower-cost alternatives make it to the market faster, and ensure a robust and competitive market for generic and biosimilar drugs.

Call to Action

- Urge Congress to reintroduce and pass the Lower Costs, More Transparency Act to promote price transparency among healthcare entities.
- Reintroduce and pass the Drug Shortage Prevention Act to require manufacturers of over the counter and prescription drugs notify the FDA when they are unlikely to meet demand.
- Reintroduce and pass the Cutting Copays Act to eliminate cost-sharing for generic drugs for LIS beneficiaries.
- Reintroduce and pass the Increasing Access to Biosimilars Act to encourage adoption of biosimilars in Medicare and improve biosimilar accessibility.
- Urge the Trump administration to continue implementing IRA's Medicare drug negotiation requirements and to [defend its implementation in court](#).
- Reintroduce and pass the Lower Drug Costs for Families Act to impose a penalty payment for prescription drug price increases above the inflation rate for private health insurance plans.
- Oppose efforts to move Part D drugs to Part B.