

Council for Affordable Health Coverage releases policy recommendations to lower drug and health care costs

Coalition brings together health system stakeholders to promote bipartisan, market-based solutions

Washington, D.C., May 17, 2017 — Today, the Council for Affordable Health Coverage (CAHC) released “Prescriptions for Competition, Value and Innovation,” the advocacy alliance’s set of comprehensive reforms to lower the cost of prescription drugs and health care. The coalition is among the first to unite diverse stakeholders across the health care system – benefit managers, drug manufacturers, insurers, consumers, and employers – to create proactive, bipartisan policy solutions that lower costs.

“Despite spirited debate from all areas of industry and in Washington, we have yet to see a consensus-based approach that engages the wide range of affected health care stakeholders in a concerted effort to lower drug costs and overall health care spending,” said Joel White, president of the Council for Affordable Health Coverage. “Through such a collaboration, we can find true commonsense solutions grounded in competitiveness and economic efficiency, leading to improved patient care and savings for the entire health care system.”

The intense, ongoing interest in health care and drug prices and related legislative debates provide a timely opportunity for lawmakers and the Administration to implement market-based reforms to drive smarter spending within the health care system. The recommended reforms focus specifically on:

- **Increasing Competition:** Bring more generics and brands to the market to drive down costs and increase choice.
- **Rewarding Value:** Reform outdated laws that prevent rewards for better outcomes and lower costs.
- **Improving Data Infrastructure and Use:** Create better infrastructure and streamline processes needed to make value-based payment arrangements more fruitful while speeding higher value treatments to market.
- **Preserving What Works:** Reject policies that undermine functioning markets, hamper innovation or jeopardize safety or access.

White added: “Competition works better than any government-designed program to lower costs for consumers. We’ve seen time and again that more products lead to lower costs, and incentives to pay for products based on their value help improve outcomes. These important changes will save billions for taxpayers, and potentially up to \$71 billion in national health expenditures annually within a decade. Most important, and unlike other approaches, our solutions won’t undermine innovation and patient access to the drugs they need. As policy makers look for solutions to lower costs, we believe it is important to offer reforms firmly rooted in competitive markets and incentives that promote value, innovation, transparency and appropriate access to treatment.”

The following stakeholders also spoke in support of the reforms:

- “As complex and revolutionary medicines come to market, we must not lose sight of the value that private market tools have provided to make medicine affordable and available. Policies that rely solely on government intervention without incentive for market competition will do little to control the rising cost of prescription drugs. The answer must come from all sectors, payers to manufacturers, working together to find commonsense solutions.” — Dr. Steven Miller, Chief Medical Officer, Express Scripts
- “BIO is excited to promote these principles to advance market-based policies that can improve patient access to medications and lower costs by driving value in our health care system. As the world's largest biotechnology trade association, we're committed to ensuring that patients can access the medicines prescribed to them by their doctors in a way that fosters the continued development of tomorrow's cutting-edge therapies. This coalition will work to advance policies that lower costs, speed cures to market and empower patients to make informed choices about their health. Enhancing competition in the market gives us our best opportunity to lower drug prices. To date, our government's policy decisions to incentivize biomedical innovation, reward risk-taking and avoid heavy-handed price controls have allowed American biopharmaceutical companies to produce more new cures and treatments than the rest of the world combined. We have an opportunity to build on that success. As biopharmaceutical research breakthroughs help us cure previously incurable diseases, policies that promote value-based payment will give us the ability to tie the price paid for a medicine to its positive impact on a particular patient's health. We will work through this coalition to remove regulatory barriers that stand in the way of such innovative, market-based payment solutions.” — Jim Greenwood, CEO, BIO
- “Prescription drugs are improving and extending the lives of millions of people; now, some can even cure you of your disease. Patients have been in the middle of the drug pricing debate, frequently caught in between the pharmaceutical and insurance companies. We congratulate the Council for bringing together a diverse set of stakeholders. As a result of their work, we hope these changes will result in lower patient costs without compromising access to the medications patients need to stay healthy and alive.” — Carl Schmid, Deputy Executive Director of The AIDS Institute.

To access the full paper, click [here](#).

NOTE: Express Scripts and BIO are members of the Council for Affordable Health Coverage. CAHC is a non-member partner in CAHC's drug affordability initiative.

About the Council for Affordable Health Coverage

The Council for Affordable Health Coverage (CAHC) is a broad-based alliance with a primary focus: bringing down the cost of health care for all Americans. CAHC promotes policies that lower health costs through increased competition, informed consumers and more choices to help promote access to affordable coverage.

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