

# PUBLICATION

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## Drug Pricing May Return to HHS Agenda in 2018

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**Despite President Trump's pledge to rein in prescription drug pricing, the Administration did not take substantial action to address this issue in 2017. With the expected confirmation of Alex Azar – who is a former Eli Lilly executive – as the new Secretary of HHS, the Administration may initiate action. Azar has identified tackling high and rising drug costs as a top priority, stating that he would focus on competition, including a "robust generic market" and more competition for branded medicines and biosimilars. Azar has also targeted the "gaming of exclusivity and patents by branded drug companies."**

Given Azar's background, we expect that CMS may provide guidance on value-based prescription drug purchasing and other innovative pricing ideas in 2018. CMS and CMMI may also promote new models of pricing and reimbursement for Part B drugs and Azar has indicated interest in expanding Medicare Part D/pharmacy benefit manager negotiation approaches into Part B.