

What They're Saying: Safe Harbor Rule

Recently, the Department of Health and Human Services (HHS) and the HHS Office of the Inspector General released a proposed rule to end safe harbor protection for prescription drug rebates in Medicare Part D. **But experts across the system agree: this proposal alone is unlikely to lower drug prices and does nothing to address the high and rising drug prices set by drug companies.**

ACADEMICS

- **Aaron Kesselheim, Associate Professor of Medicine, Harvard Medical School:** "Simply trying to eliminate rebating without any other steps threatens to drive up drug prices overall...Rebates are a key mechanism that insurers use to try to reduce net drug prices."
- **Rachel Sachs, Associate Professor of Law, Washington University in St. Louis:** "Given the uncertainty around the behavior of relevant stakeholders in response to the rule, the proposal does not (and possibly cannot) aim to predict whether pharmaceutical companies will respond by reducing list prices, a goal of the administration's."
- **Walid Gellad, Director, Center for Pharmaceutical Policy and Prescribing, University of Pittsburgh:** "Transparency can help the public and policy makers make more informed decisions about what to do about high drug prices — who to target, what policies to put in place, etc....Just the transparency alone is unlikely to lower prices."
- **Zach Cooper, Associate Professor, Yale University:** "Until data on the true net price of Rx drugs becomes available, the discussion of Rx pricing is going to be focused on rebates. Unfortunately, rebates...aren't the core reason drug prices are high."

STAKEHOLDERS

- **Peter Maybarduk, Director of Access to Medicines, Public Citizen:** "To solve the problem of high drug prices, ultimately we will need to challenge the source: the monopoly pricing power of Big Pharma."
- **Matt Eyles, President and CEO, America's Health Insurance Plans:** "The focus on rebates has been a distraction from the real issue — the problem is the price...Manufacturers have complete control over how drug prices are set. Already this year, more than three dozen drug makers have raised their prices on hundreds of medications."
- **Allyson Y. Schwartz, President and CEO, Better Medicare Alliance:** "The concern remains that this move fails to address the root cause of high prescription drug costs which starts with list prices set by drug manufacturers...The proposed rule risks destabilizing Part D premiums for seniors."
- **Lauren Aronson, Executive Director, Campaign for Sustainable Rx Pricing:** "While we applaud the rule's intent, it misses the central problem with prescription drug prices: big pharma's price setting. We need to focus on real solutions that lower costs, not raise them even further."
- **Jo Ann Jenkins, CEO, AARP:** "AARP calls for policy solutions that actually lower drug prices instead of simply shifting costs around within the health care system...To do that, we must deal directly with the root cause of high drug prices: the prices set by drug companies."