



AHIP Board of Directors Statement on Drug Pricing

Approved on July 19, 2018

Addressing drug prices is an urgent national priority. American patients and families deserve prescription drugs that are affordable, innovative, and improve their health and well-being.

We appreciate the recent focus by the Administration, Members of Congress, and other stakeholders to identify and advance policies to reduce drug prices and costs across the U.S. health care system. We agree that improving choice and competition will deliver lower drug prices and costs for patients, consumers, employers, and governments.

Within our health care system, the “list price” for prescription drugs as well as the timing and amount of any price increases are set and controlled by drug manufacturers. This affects consumers in two primary ways. First, Americans typically experience high list prices, especially for brand name drugs. Second, they see prices going up on those same drugs year after year – sometimes multiple times a year.

The vast majority of every premium dollar spent by health insurance providers pays for medical treatments and services, including prescription drugs. Clearly, effective medications and breakthrough treatments are essential for patients. Health plans (and our pharmacy benefit manager partners) negotiate with manufacturers to reduce drug prices and costs for patients, employers, and other payers. We enter these negotiations to make drugs more affordable while ensuring access to a full range of medicines and therapies needed to treat our members.

To achieve the goal of more affordable medicines, the AHIP Board of Directors unequivocally supports lower prices for prescription drugs. Lower prices will deliver lower costs for patients, consumers, employers, and taxpayers. We stand ready to ensure there are no barriers for drug manufacturers to voluntarily reduce their prices, and we are committed to working constructively with manufacturers that sincerely want to lower drug prices and costs for all Americans.