Drug Prices Rose at Twice the Inflation Rate in 2020

Leading House Democrats this week said they'll try to incorporate the Elijah E. Cummings Lower Drug Costs Now Act (H.R. 3) — the bill that allows Medicare to directly negotiate reduced medication costs — into whatever infrastructure and jobs plan Congress hammers out over the summer. House Energy and Commerce Committee Chairman Frank Pallone, Jr. (NJ) told reporters on Monday that he hopes to attach the legislation to the package.

The importance of lower drug prices was reinforced by a new analysis released this week. The average yearly price rise for brand-name prescription medications commonly used by older Americans increased by 2.9% in 2020, double the country's overall inflation rate of 1.3%. While this was a slower annual increase than in previous years, the findings in the report also revealed that insurance-negotiated costs for 260 brand-name prescription medications had climbed faster than general inflation, on average, every year since 2006.

The report goes on to say that if present trends continue, Americans should expect that their out-of-pocket costs will rise, including increased deductibles, premiums, and cost sharing. The research provides further evidence of what many already were painfully aware of: that rising drug prices impose a severe burden on taxpayer-funded programs like Medicare.

“For years these drug prices have gone way beyond merely keeping up with inflation,” said Richard Fiesta, Executive Director of the Alliance. “Pharmaceutical corporations are actively engaging in price gouging, and House leaders are doing the right thing by taking the next opportunity to pass H.R. 3.”
Biden Budget Includes Funds to Boost Social Security’s Customer Service

The Social Security Administration (SSA) would receive a $1.3 billion — or 9.7% — increase if President Joe Biden’s FY 2022 budget is adopted. The President has requested a total of $14.2 billion for SSA, and Commissioner Andrew Saul stated in the agency’s budget review that the money would allow SSA to pursue a variety of customer service reform initiatives.

Wait times and backlogs, community outreach to vulnerable groups, and technological enhancements are among the issues the administration will address. Long waits on the agency’s 800 number, a backlog of disability insurance claims awaiting evaluation, and the closing of several field offices are just a few of the issues beneficiaries currently face. While the COVID pandemic compounded these problems, Biden’s proposed investment could go a long way in relieving them.

“We applaud President Biden’s commitment to improving customer service by giving the Social Security Administration more resources,” said Joseph Peters, Jr., Secretary-Treasurer of the Alliance. “SSA’s workers do an excellent job for beneficiaries, but with 10,000 Americans turning 65 each day, its budget has not allowed them to meet the demand. The ball is in Congress’ court to pass a budget that includes this important funding.”

New Alzheimer’s Drug Approved as Debate Heats Up Over Its Cost, Effectiveness

The Food and Drug Administration (FDA) recently authorized Aduhelm, a controversial new Alzheimer’s disease treatment created by Biogen. Aduhelm is the first new treatment approved for Alzheimer’s after a nearly 20-year hiatus in new therapies for the condition. It is projected to cost $56,000 a year per patient.

Alzheimer’s disease is estimated to affect roughly 6 million people in the United States, most of whom are over 65 and therefore eligible for Medicare. Aduhelm will be reimbursed under Medicare Part B as an intravenous infused medicine delivered by physicians.

FDA experts originally said there wasn’t enough data to warrant the approval of the medication. The drug, designed to be given to individuals very early in the course of the disease before they develop dementia, did not appear to assist at all in early studies. The Aduhelm clinical trials were even halted in 2019 due to a lack of evidence that the medicine was effective.

Three members of the FDA’s Central Nervous System Advisory Committee have resigned over the agency’s approval of Aduhelm. Dr. Aaron Kesselheim, a professor at Harvard Medical School, said the agency’s decision on Aduhelm “was probably the worst drug approval decision in recent U.S. history” and said “this (decision) will undermine the care of these patients, public trust in the FDA, the pursuit of useful therapeutic innovation, and the affordability of the healthcare system” in his resignation.
When Biogen re-analyzed the trial data, its researchers found that some patients who received large doses of the medicine did not improve, but their symptoms increased at a slower rate than other patients experienced. Gayatri Devi, a neurologist at Lenox hospital in New York, said she believes the drug has a real chance at slowing memory, thinking and functional problems but caution was “the most important thing.”

Trials have also shown that some patients treated with the drug had side effects including brain swelling, minor bleeding and headaches while taking the medication.

Decision-makers at the Centers for Medicare & Medicaid Services (CMS) may now choose to undertake a National Coverage Determination process that could set some limits on the conditions of Medicare coverage for Aduhelm based on its clinical effectiveness.

“Alzheimer’s is a cruel disease affecting millions of Americans and new treatments are desperately needed,” said Robert Roach, Jr., President of the Alliance. “At the same time, patients and their families need to be fully educated on the risks and benefits of this drug and any others.”

**KHN: Zooming Into the Statehouse: Nursing Home Residents Use New Digital Skills to Push for Changes**

By Susan Jaffe, *Kaiser Health News*

Patty Bausch isn’t a Medicaid expert, lawyer or medical professional. But she still thinks Connecticut legislators need her input when they consider bills affecting people like her — the roughly 18,000 residents who live in the state’s nursing homes.

With help and encouragement from Connecticut’s Long Term Care Ombudsman Program, Bausch signed up and testified remotely before a legislative hearing this year. Nursing home residents who have been using digital technology to reach out to family and friends — after the covid pandemic led officials to end visitation last year — could also use it to connect with elected officials once the legislature moved to remote hearings. Speaking into an iPad provided by the ombudsman’s office, Bausch testified without ever leaving her room at the Newtown Rehabilitation & Health Care Center, where she has lived since having a stroke three years ago.

The combination of a virtual legislature and nursing home residents equipped with internet access has created an opportunity most nursing home residents rarely have — to participate in their government up close and in real time.

[Click here to read more.](#)

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.