

Context of Medicare drug spending

ISSUE: A significant portion of the Commission’s work relates to Medicare’s payments for prescription drugs in various settings. In preparation for future discussions about specific policies, at the October 2015 meeting we will provide the second of two presentations that provide broader context around Medicare’s payment policies for drugs.

KEY POINTS: Medicare’s importance as a payer for prescription drugs has grown since the introduction of Part D in 2006. To provide context around Medicare’s payment policies for drugs, we will provide background material about the development and approval processes for drugs and biologics. We will also describe the major industries associated with drug development, manufacturing and distribution.

ACTION: Commissioners should review and comment on the material.

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