



RunawayRx, a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

A [Politico](#) article reminds us that while every other sector of health care has adapted to meet the requirements of the Affordable Care Act – including stricter pricing rules, quality-based reimbursement arrangements, and greater transparency – the pharmaceutical industry continues to operate in a black box, driving up the cost of health care for consumers, taxpayers, and businesses. With no existing accountability in place, policymakers and the public are looking for solutions to address the unfinished business of the ACA – prescription drug prices.

The one that got away: Obamacare and the drug industry

By Brett Norman & Sarah Karlin-Smith | July 13, 2016

POLITICO

“President Barack Obama’s landmark health care bill shook up the health care system. One key player escaped the upheaval largely unscathed: Big Pharma.

“Scrounging up all the money to pay for Obamacare’s massive coverage expansion brought deep pay cuts to hospitals and health plans. And for those industries, it fundamentally changed the rules of the game.

“Insurers have to cover sick people, no matter how costly their illness. Hospitals must meet new benchmarks for things like readmissions or face penalties. Doctors are caught up in a rapid industry consolidation and must adapt to new payment models, changing traditional practice.

“[D]rug companies were left to carry on business as usual.”

“The pharmaceutical industry, on the other hand, hasn’t much changed — except its prices are higher and there’s nothing in the health law that allows the government to push back. Prescription drugs are now the fastest growing category of medical costs. Pharma companies are charging \$84,000 for a new hepatitis C cure, more than \$14,000 for new cholesterol treatments. Novel cancer therapies routinely run six figures...

“Since [2009], drug spending has spiked to historically high levels — 2014 saw the biggest increases in more than [a] decade. The hikes were fueled by Obamacare’s coverage expansion, a wave of new treatments and industry chutzpah...

“Seven years later, [former PhRMA President and CEO] Tauzin’s goal is intact. PhRMA’s not the meal; and everyone else is still picking up that tab.”

Read more at <http://www.politico.com/story/2016/07/obamacare-prescription-drugs-pharma-225444#ixzz4EJADgRS1>

The California Association of Health Plans’ RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway_Rx](https://twitter.com/Runaway_Rx).