



No Big Blockbuster Bailouts Act

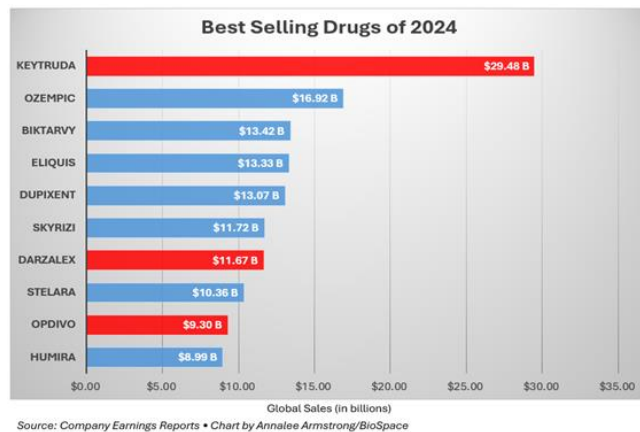
Introduced By:

Senator Peter Welch (D-Vt.), Ranking Member Ron Wyden (D-Ore.),
Senator Catherine Cortez Masto (D-Nev.)

Background:

Despite all of President Trump's tough talk and empty promises on drug pricing, the Republican budget bill included an \$8.8 billion bailout to Big Pharma.

Specifically, Republicans created a massive new exclusion for Medicare's drug pricing negotiations, impacting some of the world's top-selling cancer drugs including Keytruda (Merck), Opdivo (Bristol-Myers Squibb), and Darzalex (Johnson & Johnson). Keytruda was the top-selling drug in the world in 2024, with an astonishing \$29.5 billion in global sales.¹ Opdivo and Darzalex were also both on the top ten global best sellers list last year.



Patients are paying for this handout in the form of higher out-of-pocket costs. Cancer patients, in particular, face high out-of-pocket costs because of the high prices of cancer drugs. If Medicare could negotiate a 22% discount off Keytruda's net price, it would save enrollees taking that drug around \$3,300 per year.² The first round of Medicare drug price negotiations yielded an average of 22% in net savings, with even higher net savings on specialty drugs.³

Legislation:

The *No Big Blockbuster Bailouts Act (NOBBBA)* would reverse Republican policies that block Medicare from negotiating the price of blockbuster medications, ensuring that the Secretary can continue to deliver lower drug prices to seniors, people with disabilities on Medicare, and taxpayers.

¹ <https://www.biospace.com/business/10-best-selling-drugs-of-2024-rake-in-billions-amid-exclusivity-threats>

² People with Medicare Will Face Higher Costs for Some Orphan Drugs Due to Changes in the New Tax and Budget Law | KFF

³ <https://www.cms.gov/newsroom/fact-sheets/medicare-drug-price-negotiation-program-negotiated-prices-initial-price-applicability-year-2026--text> Medicare's 2026 new drug 20% negotiate, to 20% approximately 25% 20% savings; <https://www.brookings.edu/articles/impact-of-federal-negotiation-of-prescription-drug-prices/>

The Republican budget bill excluded all drugs that treat rare (“orphan”) diseases from Medicare drug price negotiation. Many drugs affected by this provision, however, are extremely profitable blockbusters. Had the Republicans’ policy been in effect since the enactment of Medicare negotiation, major cancer drugs—such as Imbruvica, Calquence, and Pomalyst—would have been exempt. In the case of Imbruvica, Medicare negotiated a price 40% off the drug’s price. Moving forward, this change will exempt additional blockbuster drugs from Medicare negotiation, such as Darzalex.

Shielding blockbuster drugs from Medicare negotiation is deeply unfair to seniors, people with disabilities, and families crushed by high drug prices. *NOBBBA* would empower the Health and Human Services Secretary to continue negotiating prices for blockbuster drugs while preserving protections to ensure companies invest in developing treatments for rare diseases. This bill would repeal the Republican bailout and replace it with a higher threshold for rare disease drugs to become eligible for negotiation.

- Under current law, all orphan only drugs—medications used to treat rare diseases are ineligible for negotiation, regardless of how Medicare spends on them.
- Under *NOBBBA*, if Medicare spending of a rare disease drug exceeds \$400M annually, that drug would be eligible for negotiation **regardless of orphan status**.
- *NOBBBA* therefore protects incentives for rare disease drug development and innovation by targeting blockbuster drugs for negotiation, while still allowing Medicare to get lower prices for drugs that cost the most to taxpayers.

Background on Medicare Drug Price Negotiation:

In 2022, Democrats—without a single Republican vote—finally gave Medicare the authority to negotiate drug prices. Next year, lower Medicare-negotiated prices for the first ten drugs will take effect, which will save an estimated \$6 billion for taxpayers and \$1.5 billion in out-of-pocket costs for seniors and people with disabilities. These ten medications, taken by more than eight million Medicare enrollees, treat conditions like diabetes, cancer, blood clots, and heart disease. Medicare-negotiated pricing for the next 15 drugs, including blockbuster medications like Ozempic and Xtandi, will take effect in 2027. Medicare has spent over \$40 billion during a one-year period on these next 15 drugs alone.

Voters of all political affiliations support Medicare’s ability to negotiate drug prices. For example, 86 percent of voters in the 2024 election support preserving or expanding Medicare’s ability to negotiate drug prices, including 81 percent of Republican voters.⁴ According to Fabrizio Ward, approximately 86 percent of Trump voters believe it is important for Medicare to negotiate drug prices, with 66 percent wanting to expand negotiation to all drugs.⁵

⁴ Hart Research. January 2025. Democrats Have a Winning Hand to Play on Healthcare. Available at: <https://www.protectourcare.org/wp-content/uploads/2025/02/Protect-Our-Care-Polling-Memo-1-24-2025.pdf>

⁵ FabrizioWard. April 2025. National & Targeted CD Registered Voter Surveys. Available at: <https://www.arnoldventures.org/resources/national-targeted-cd-registered-voter-surveys>