



Durbin, Portman introduce bipartisan bill to tackle Pharma Waste in oversized prescription drug packaging

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WASHINGTON – Today, U.S. Senators Dick Durbin (D-IL) and Rob Portman (R-OH) introduced a bipartisan bill that would reduce the egregious wasted spending on discarded medications that are the result of excessively large, single-use drug vials. The *Recovering Excessive Funds for Unused and Needless Drugs (REFUND) Act* would enable Medicare to recoup money from drug companies who were paid for wasted medications, and provide savings to seniors enrolled in Medicare.

“Too many drug companies insist on selling their medications in excessively large packages that contain more medicine than the average patient needs. The excess is thrown away and the patient and taxpayer pay for the wasted medicine,” Durbin said. **“This is a completely preventable waste of taxpayer dollars. It literally means American patients are paying for drugs that are tossed in the trash. The bipartisan REFUND Act will stop this wasteful practice and instead provide needed relief for patients who face out of control prescription drug costs.**

“It is outrageous that the government is paying drug manufacturers for drugs that are literally being thrown away, and that’s why I’m proud to join Senator Durbin in introducing the REFUND Act,” said Portman. **“Our health care system should be reimbursing for value and only paying for products that patients are actually using. This is a smart bill that’s good for seniors and taxpayers, and I believe it will improve health care outcomes and lower costs for all patients.”**

Each year, Medicare and private health insurers waste nearly \$3 billion on cancer medications that are thrown out because the drugs are packaged in vials that hold too much for most patients. In fact, a report that Senator Durbin requested in 2016 from the

Inspector General of the Department of Health and Human Services (HHS) found that—for only 20 drugs—Medicare paid \$195 million between 2013-2014 for medication that was discarded because it was packaged in oversized single-use vials.

For example, in 2016, Takeda Pharmaceuticals sold its oncology drug, Velcade, only in 3.5mg vials—sized for a person who is 6 feet 6 inches and weighs 250 pounds—despite also selling the medication in a smaller, 1mg vial in Europe. That year, Takeda generated an estimated \$309 million from discarded amounts of Velcade—including tens of millions from Medicare.

Most of these medications are available in other countries in vials containing smaller quantities. Because of the 20 percent coinsurance that Medicare beneficiaries pay for these drugs, America's seniors are also paying out of pocket for these wasted drugs. This issue will only become more pronounced with the explosive growth in high-cost, specialty cancer medications.

The *REFUND Act* would require:

- HHS Secretary to aggregate the total discarded amount of Part B medications each quarter. This data is already reported on Medicare Part B claims sent by doctors;
- HHS Secretary to calculate the total cost of the discarded medications, based off the Average Sales Price (or Wholesale Acquisition Cost if not available);
- HHS Secretary to notify the drug's manufacturer that they are required to provide a rebate to HHS for 90 percent of the amount of discarded medication that was recorded. This rebate would be deposited to the Medicare Trust Fund (failure by a manufacturer to provide a timely rebate would incur civil monetary penalties);
- HHS Secretary to establish a tracking and payment system to reimburse Medicare beneficiaries for their 20 percent coinsurance share of the cost of discarded drugs.