



Durbin, Portman Introduce Bipartisan Bill To Save Seniors, Taxpayers Billions In Prescription Drug Costs From Big Pharma's Wasteful Pricing

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WASHINGTON – Today, U.S. Senate Majority Whip Dick Durbin (D-IL) and U.S. Senator 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 are paid for wasted medications, and provide savings to seniors enrolled in Medicare. Durbin and Portman introduced a version of this legislation in 2019, which was reported out of the Finance Committee then on a bipartisan basis.

“While too many patients face outrageously high drug costs, Big Pharma has been profiting off expensive medications that are thrown away because they are packaged in vials that contain more medicine than the average patient needs,” Durbin said. “The bipartisan REFUND Act will stop this wasteful practice and save America’s seniors and taxpayers billions in prescription drug costs.”

“The government should not be paying drug manufacturers for drugs that are being thrown away, and that’s why I’m proud to introduce the bipartisan 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.”

In 2019, Medicare alone spent \$753 million on medications that are literally thrown in the trash because the drugs are packaged in vials that hold too much medication for most patients. A recent report from the National Academies of Science, Engineering, and

Medicine, requested by Senator Durbin, found that this wasted spending on these high cost pharmaceuticals was a major driver in increased drug costs. Including Medicaid and commercial insurance, an estimated \$3 billion is spent each year on wasted cancer medications.

Many 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 is endorsed by AARP, Patients for Affordable Drugs Now, the American Hospital Association, and Campaign for Sustainable Rx Pricing. This bipartisan legislation 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).

Full text of today's legislation is available [here](#).