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CBO CONFIRMS OBAMACARE WILL INCREASE DRUG PRICES

In letter to Ranking Member Ryan, CBO highlights the latest health care broken promise

WASHINGTON – In response to a request from House Budget Committee Ranking Republican Paul Ryan of Wisconsin, the Congressional Budget Office [CBO] [confirmed](#) that President Obama’s massive health care law will increase prescription drug prices. The CBO confirms the range of onerous restrictions and requirements will drive health care costs up, at odds with the claims made by its proponents. CBO’s letter specifies that manufacturers will have an incentive to raise drug prices and that, as a result, health care costs will increase for some seniors and for those who are uninsured.

In response to the findings, Ranking Member Ryan issued the following statement:

“On Tuesday, the American electorate forcefully repudiated President Obama’s agenda, including his massive health care overhaul. Today, the Congressional Budget Office refuted President Obama’s claims, making clear that his policies will drive health care costs up, not down. Especially troubling for many seniors is the news that their prescription drug costs and premiums will increase as a result of this legislation. I will continue to work to repeal this deeply flawed overhaul, advancing instead patient-centered health care reform and reforms to secure Medicare for current and future generations.”

Highlights from the CBO’s letter to Ranking Member Ryan:

- “[The] increase in prices would make federal costs for Medicare’s drug benefit and the costs faced by some beneficiaries slightly higher than they would be in the absence of those provisions...”
- “The legislation also imposes an annual fee on manufacturers and importers of brand-name drugs. CBO expects that the fee will probably increase the prices of drugs purchased through Medicare and the prices of newly introduced drugs purchased through Medicaid and other federal programs by about 1 percent. Those increases will be in addition to the ones described above that stem from the new requirements for discounts and rebates.”
- “The premiums of drug plans will increase along with the increase in net drug prices, so the premiums paid by beneficiaries will increase slightly.”

To read CBO Director Doug Elmendorf’s Letter to Ranking Member Ryan:
http://cbo.gov/ftpdocs/116xx/doc11674/11-04-Drug_Pricing.pdf