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What Delaying Small Molecule Drugs Means for Medicare Drug Price Negotiation

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According to KFF's research, the new Trump executive order on small molecule drugs could lead to higher Medicare prescription drug prices and potentially higher Medicare Part D premiums.

By Mary Helen Gillespie

President Trump has just signed an executive order outlining several proposals related to prescription drug prices, including efforts to "improve upon" the Inflation Reduction Act, a law signed by President Biden in 2022 with several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government.

According to KFF, the new executive order directs the Department of Health and Human Services to work with Congress to implement a change in the Medicare Drug Price Negotiation Program to delay negotiation of so-called "small molecule" drugs beyond seven years after FDA approval under current law.

This change would mean that small molecule drugs would be on the market longer before they are eligible to be selected for Medicare drug price negotiation, which could lead to higher Medicare prescription drug spending, higher prices, and potentially higher Medicare Part D premiums.

Read more here.