**State Health Reform** Pramod Thomas

**Will the State Healthcare Reform Lower the Cost of Prescription Drugs?**

The answer to this question is Yes! Access to health care has improved greatly since the 1990s. However, the cost of prescription drugs continues to rise. Research carried out by the Harvard Medical School found out that the reason for the continued upsurge of prescription drug prices is the presence of government-shielded ‘cartel’ rights for manufacturers of drugs (Avorn, 2015).

**Addressing the Rising Prices of Prescription Drugs and Medical Services**

Is it a good initiative to adopt new policies and adjust payment incentives to reduce the cost burden of unaffordable prescription drugs? This new policy will lower the cost in Maryland, Virginia and Washington DC States. This policy would include:

* Adopting drug formularies that use medical necessity criteria and evidence-based standards for assessing whether emergent drugs signify assessable clinical advances, increase competition, and bring values to customers.
* Utilizing approved biosimilar that provides patients effective and safe alternatives to more expensive specialty items, with possible savings of 20%-25%.
* Aligning incentives of provider payment for:
* Discouraging providers from pointlessly managing a drug in higher-cost settings (e.g., an outpatient of the hospital) by adopting repayments that are setting-neutral.
* Eliminating higher payments of fee-for-service provider for recommending high-price drugs instead of alternatives of lower-cost.
* Expanding the bundled payments’ usage that comprises the total care cost for a particular condition, including drug costs.
* Enhancing transparency in pricing of the drug for discouraging discrimination of price or unfair practices.
* Requiring rebate and discount parity for securing the same prices for private carriers that are offered to governments and other third parties.

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