

# Democrats Seek Details On GLOBE, GUARD, GENEROUS Models, Warn Of Pharma Deal Loopholes

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Senior congressional Democrats are pressing the Trump administration for details on new Medicare and Medicaid drug pricing models, warning the initiatives could be undermined by separate deals the White House has struck with pharmaceutical companies.

In a letter to HHS Secretary Robert F. Kennedy Jr. Thursday (March 5), Senate Finance ranking Democrat Ron Wyden (OR), House Energy & Commerce ranking Frank Pallone (NJ), and House Ways & Means ranking Democrat Richard Neal (D-MA) said the administration has provided little public information about how the models would function or whether they would meaningfully lower drug prices for beneficiaries.

The Dec. 19 proposals from the CMS Innovation Center include the Global Benchmark for Efficient Drug Pricing (GLOBE) Model, which would require manufacturers to pay rebates if Medicare Part B drug prices exceed international benchmarks, and the Guarding U.S. Medicare Against Rising Drug Costs (GUARD) Model, which would apply a similar framework to certain Medicare Part D drugs.

Under the proposals, GLOBE would apply to the top 50 highest-spend Part B drugs with more than \$100 million in annual Medicare fee-for-service spending, while GUARD would target Part D drugs with more than \$69 million in gross drug costs. **CMS did not respond to a request comment on whether companies that have made “most favored nation” pricing deals with the Trump administration are exempt from participating in GLOBE and GUARD models.** The pharmaceutical industry alleges that the models are illegal.

The lawmakers argue the models could ultimately have limited reach if drugmakers that have negotiated separate pricing agreements with the White House are exempt from participation. The administration has announced MFN pricing deals with 16 pharmaceutical companies so far, and the lawmakers said those companies have indicated publicly that the agreements shield them from the new models.

**“As a result, it is possible these models will ultimately not apply to any drugs at all,” the Democrats wrote, adding that pharmaceutical company stocks have risen following the administration’s announcements despite claims the deals would drive prices down.**

The lawmakers also accused the administration of failing to meet promises of “radical transparency” made during Kennedy’s confirmation process. They asked HHS to provide Congress with an analysis of which drugs would be subject to the GLOBE and GUARD models if companies with White House agreements are exempt, and to release unredacted copies of the pricing deals struck with the 16 manufacturers.

In addition, the lawmakers raised concerns about the CMS Innovation Center’s Generating Cost Reductions for U.S. Medicaid (GENEROUS) Model, saying language in the program’s updated application suggests the agency could waive participation requirements in the GLOBE and GUARD models for companies participating in the Medicaid initiative.

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The Democrats requested that HHS provide the information and materials by March 19 and asked the agency to make any participation agreements with manufacturers publicly available to ensure Congress can evaluate the scope and impact of the administration’s drug pricing initiatives.