



# GLOBE & GUARD: CMMI's Proposals on Medicare Drug Pricing Miss the Mark

***CMMI's New Models Undermine Innovation, Patient Care, and Accountability***

## WHAT ARE GLOBE AND GUARD?

On December 23, 2025, the Centers for Medicare and Medicaid Services (CMS) used the Center for Medicare and Medicaid Innovation (CMMI), which was created under the Affordable Care Act (ACA) with a \$10 billion-per-decade budget, to propose mandatory changes to Medicare drug payment and pricing under Medicare Part B and Part D. The ACA stated that CMMI was designed to create payment models that would be limited in scope and prove to improve care and reduce costs.

Unfortunately, like CMMI's other models, GLOBE and GUARD miss the mark.

GLOBE (Global Benchmark for Efficient Drug Pricing) and GUARD (Guarding U.S. Medicare Against Rising Drug Costs) would impose "Most Favored Nation" (MFN)-style drug price controls, tying U.S. prices to those in countries that have socialized medicine and artificially lower drug costs by freeloading off U.S. research and development. As a result, **these far-reaching, mandatory models would replace market-based competition with federal price controls and cause disastrous consequences.** These proposals illustrate everything that is wrong with CMMI and may be the most damaging to date.

## GLOBE AND GUARD ARE RISKY FOR PATIENTS AND PROVIDERS

- **They double down on government overreach**, expanding the control of federal bureaucrats in U.S. healthcare with no accountability to Congress or the American people, moving the country closer to a single-payer, government-run system.
- **They undermine care quality** by disrupting current Medicare programs and slowing progress against serious diseases and chronic conditions.
- **They import European and Canadian healthcare policies** that embody socialized medicine, including lengthy waiting times and denial of care, that conflict with America's commitment to individual freedom, empowered patient choice, and plan competition.

## MFN PRICE CONTROLS UNDERMINE INNOVATION

MFN price controls distort the economic incentives that make medical innovation possible.

Developing a new drug takes **years of research and billions of dollars in private investment**, with no guarantee of success.

MFN price controls undermine policies that have attracted tens of billions of dollars in new facilities in the U.S. by creating uncertainty that those companies will have the ability to recover the costs of their research and development.

## CMMI'S RECORD OF FAILURE

**CMMI's history shows that proposals for large, mandatory policy changes under the guise of CMMI "demonstrations" routinely disrupt care, increase administrative burdens, and threaten care quality and individualized decision-making.** These risks are magnified when applied to prescription drugs, where access, individualized treatment regimens, and continuity of treatment are critical.

- **After more than 15 years, CMMI has not proven it can innovate, save money, or improve care.** GLOBE and GUARD are simply the latest examples of why CMMI represents a failed program that needs to be wound down.
- From 2011 to 2020, **CMMI lost \$5.4 billion instead of saving a projected \$2.8 billion, and it is projected to lose another \$1.3 billion by 2030.**
- Rather than testing small, targeted demonstrations, CMMI has increasingly pursued broad policy experiments that override patient choice and congressional accountability, spending \$10 billion per decade in mandatory taxpayer funding.

## THE SOLUTION

Congress should not allow CMMI to use GLOBE and GUARD to impose MFN price controls or other damaging and wasteful policy changes by administrative fiat.

**We urge Congress to support the immediate suspension of all pending and proposed CMMI models.** The best outcome for taxpayers would be the elimination of CMMI. At a minimum, Congress should establish clear and meaningful guardrails that protect patients, provide accountability and transparency, and ensure that taxpayer dollars are no longer wasted.

