



## FACT SHEETS

# President Donald J. Trump's Blueprint To Lower Drug Prices

## HEALTHCARE

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One of my greatest priorities is to reduce the price of prescription drugs.

*President Donald J. Trump*

**A BURDEN ON THE AMERICAN PEOPLE: Drug prices are being driven up unfairly, taking a toll on the American people.**

- Excessively high drug prices, foreign freeloading, and a system rigged to reward list price increases, are burdening the American people.
- According to the Organization for Economic Co-operation and Development (OECD), the United States had the highest per-capita pharmaceutical spending in 2015.
- Senior citizens pay more in Medicare Part B and Part D because government rules prevent health plans and vendors from negotiating the better deals seen in other markets.
- Some hospitals that receive drug discounts under the 340B program, designed to help safety net facilities, do not provide meaningful levels of charity care to low-income and vulnerable patients, ultimately pushing up drug prices for patients with private health insurance.

- Lower-cost drugs are kept out of the market by drug companies gaming regulatory processes and the patent system in order to unfairly maintain monopolies.
- Lack of transparency in drug pricing benefits special interests and prevents patients from being able to make fully informed decisions about their care.
- Other countries use socialized healthcare to command unfairly low prices from U.S. drug makers. This places the burden of financing drug development largely on American patients and taxpayers, subsidizes foreign consumers, and reduces innovation and the development of new treatments.
  - The United States pays more than 70 percent of branded drug profits among OECD countries.

**TAKING ACTION TO PUT AMERICAN PATIENTS FIRST: President Donald J. Trump's blueprint includes new actions and proposals to drive down drug prices for all Americans.**

- President Trump's blueprint will seek to encourage innovation, while also promoting better price competition and addressing foreign freeloading.
- The Department of Health and Human Services (HHS) will:
  - Take steps to end the gaming of regulatory and patent processes by drug makers to unfairly protect monopolies.
  - Advance biosimilars and generics to boost price competition.
  - Evaluate the inclusion of prices in drug makers' ads to enhance price competition.
  - Streamline and accelerate the approval process for over-the-counter drugs.
  - Speed access to and lower the cost of new drugs by clarifying policies for sharing information between insurers and drug makers.
  - Avoid excessive pricing by relying more on value-based pricing by expanding outcome-based payments in Medicare and Medicaid.
  - Work to give Part D plan sponsors more negotiation power with drug makers.
  - Examine which Medicare Part B drugs could be negotiated for a lower price by Part D plans, and improving the design of the Part B Competitive Acquisition Program.

- Update Medicare's drug-pricing dashboard to increase transparency.
- Prohibit Part D contracts that include "gag rules" that prevent pharmacists from informing patients when they could pay less out-of-pocket by not using insurance.
- Require that Part D plan members be provided with an annual statement of plan payments, out-of-pocket spending, and drug price increases.
- Work across the Administration to address intellectual property theft and foreign freeloading.
- The President's blueprint also seeks feedback about other potential actions, including:
  - Reserving certain Part D incentives only for drug makers that stop raising prices.
  - Ending Obamacare's Medicaid rebate cap, which encourages higher drug prices.
  - Including drug maker copay discount cards in Medicaid best price calculations.
  - Making changes to the Medicaid Drug Rebate Program rules to remove barriers to innovation and competition.
  - Reducing incentives to deliver Medicare Part B drugs in the most expensive setting.
  - Requiring Pharmacy Benefit Managers to act in the best interests of patients.
  - Paying for value in Medicare to spur development of drugs that cure illnesses rather than simply manage symptoms.
  - Requiring beneficiaries to be told what their out-of-pocket costs will be prior to receiving a Part B drug or a Part D drug prescription, and whether lower-cost alternatives exist.
  - Requiring "safety net" hospitals paid under Medicare Part B to use their 340B drug discounts to provide care to more low-income and vulnerable patients.
- The U.S. Trade Representative will prioritize addressing unfair intellectual property and market access policies in our trade agreements, so that partners contribute their fair share to innovation.
- The Administration will publish a comparison of drug prices in the United States with those in other OECD countries, to examine freeloading.

**BUDGET PROPOSALS TO LOWER DRUG PRICES: The President's blueprint includes proposals from his budget that would increase competition and reform Federal programs.**

- President Trump has proposed reforms to the Medicare Part D program, including:
  - Allowing greater flexibility in benefit design to encourage better price negotiation.
  - Offering free generics to low-income seniors.
  - Requiring plans to share a minimum portion of drug rebates with patients.
  - Discouraging plans from accelerating beneficiaries into the catastrophic phase of the benefit with costly brand name drugs.
  - Protecting seniors from catastrophic costs through a new out-of-pocket maximum, while ensuring plans are incentivized to limit excessive costs.
- Medicare Part B reforms proposed by the President would limit payment for price increases that are above the inflation rate and cut incentives for doctors to write high-price prescriptions.
- Reforms would ensure hospitals paid under Medicare Part B that provide more than one percent of their patient costs in charity care could retain a discount under the 340B program.
- The President has proposed actions to maximize competition and innovation, including curbing abuse of FDA safety rules and the 180-day "first-to-file" exclusivity clock.

**BUILDING ON ADMINISTRATION EFFORTS: The blueprint will build upon actions President Trump's Administration has already taken to increase competition and curb high drug prices.**

- FDA's 2017 generic drug approvals contributed to prescription drug buyers saving \$8.8 billion.
  - These dramatic savings were driven in part because FDA set multiple approval records in 2017, including the most generic drugs approved in a year.
  - FDA launched a new program to educate doctors about biosimilars.
  - FDA issued new guidance to facilitate navigation of the generic drug approval process.
- A recently finalized change to Medicare will save seniors an estimated \$320 million in 2018 by reforming 340B drug payments.

**[Find Out More about the American Patients First Blueprint HERE](#)**