

Prescription Drug Price Gouging

Talking Points

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Information:

- **Total spending on prescription drugs in the U.S. reached \$440 billion in 2016**, an increase of 5.8% from 2015.
- Medicare Part D spent \$137.4 billion on prescription drugs in 2015 (latest data available), up from \$121.4 billion in 2014.
- In 2015, the U.S. government paid roughly 43% of all retail prescription drug costs—29% through Medicare.
- Members of Congress have quoted Congressional Budget Office (CBO) studies from 2006-2007 to wrongly justify a claim there would be very little savings if Health and Human Services (HHS) required competitive bidding for Medicare's drug business. These are old irrelevant claims.
- **Will Congress take action to lower prescription drug costs, the fastest growing part of the nation's health care budget?** As a whole, members of Congress have to prove they are not bound by obligations to pharmaceutical and insurance companies more than their own constituents.
- **There is only one solution to this problem:** Congress should remove the prohibition on Medicare competitive bidding and replace it with a competitive bidding mandate to be applied wherever two or more FDA approved generic drugs, or two or more brand drugs, or a generic and brand drugs (upon patent expiration) treat the same medical condition.
- Countries that practice socialized medicine exact low prices for people served in their countries by demanding below market pricing from American pharmaceutical manufacturers.
- **There are two counter measures to our manufactures being forced to take losses:**
 - A.** Pharma companies should exit these markets, thus protecting Americans and our economy from subsidizing socialized medicine.
 - B.** To the extent pharma and Congress don't eliminate this unethical practice of absorption and passing of losses on to Americans and the U.S. economy, Congress must pass laws allowing importation of safe, and lower priced prescription drugs from Canada and elsewhere so that Americans and our economy benefit. Start with Canada NOW.
- The Secretary of HHS has the authority under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to issue an order to begin legal importation from Canada but refuses to act.

Call for Action – Pass These Bills:

- **S. 92 and H.R. 1480, Safe and Affordable Drugs from Canada Act of 2017**, to allow individuals to import a 90-day supply of prescription drugs from an approved Canadian pharmacy.
- **S. 469 and H.R. 1245, Affordable and Safe Prescription Drug Importation Act of 2017**, would lower cost of prescription drugs by allowing Americans to import safe, low-cost medicine from Canada and would authorize the HHS Secretary in two years to allow importation from other advanced countries
- **S. 41 and H.R. 242, Medicare Prescription Drug Price Negotiation Act of 2017**, to allow Medicare to negotiate the best possible price of prescription drugs.
- **S. 1688, Empowering Medicare Seniors to Negotiate Drug Prices Act of 2017**, would allow Medicare to negotiate best prices for prescription drugs to cut costs for seniors in Medicare Part D.
- **S. 124, Preserve Access to Affordable Generics Act of 2017**, to expand consumers' access to the cost-saving generic drugs and increase competition between drug manufacturers to end "pay for delay".
- **S. 974 and H.R. 2212, Creating and Restoring Equal Access to Equivalent Samples ("CREATES") Act of 2017** targets abusive delay tactics that are being used to block entry of affordable generic drugs.

For a whitepaper on this subject, contact Alyson Parker at 813-545-6792 or executivedirector@nrln.org