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Trump Administration Announces Historic Action to Lower Drug Prices for Americans

Today, President Donald Trump took historic action to deliver lower prescription drug prices to American patients. The President signed four Executive Orders on drug pricing directing the Secretary of Health and Human Services (HHS) to take several steps to deliver for American patients lower costs on prescription drugs, including insulin and epinephrine, and ensure Americans are getting the lowest price possible for their drugs.

The executive orders instruct HHS to take a number of actions:

- End a shadowy system of kickbacks by middlemen that lurks behind the high out-of-pocket costs many Americans face at the pharmacy counter. Under this action, American seniors will directly receive these kickback as discounts in Medicare Part D. In 2018, these Part D discounts totaled more than \$30 billion, representing an average discount of 26 to 30 percent.
- Require federally qualified health centers who purchase insulins and epinephrine in the 340B program to pass the savings from discounted drug prices directly on to medically underserved patients. This will increase access to life-saving insulin and epinephrine for the patients who face especially high costs among the 28 million patients who visit FQHCs every year, over six million of whom are uninsured.
- Finalize a rule allowing states to develop safe importation plans for certain prescription drugs.
- Authorize the re-importation of insulin products made in the United States if the Secretary finds re-importation is required for emergency medical care pursuant to section 801(d) of the Food, Drug, and Cosmetic Act.
- Create a pathway for safe personal importation through the use of individual waivers to purchase drugs at lower cost from pre-authorized U.S. pharmacies.
- Take action to ensure that the Medicare program and seniors pay no more for the most costly Medicare Part B drugs than any economically comparable OECD country, ending foreign countries' free loading off the backs of American taxpayers and pharmaceutical investments. This order takes effect in 30 days unless Congress acts.

“President Trump has already done more than any other President to lower drug costs,” said HHS Secretary Alex Azar. “No President has ever taken action on drug prices as bold as any one of today’s individual actions. Today’s executive orders will deliver billions of dollars in discounts directly to patients at the pharmacy counter, safe low-cost imported drugs for Americans, the best deals for America on highly expensive drugs, and direct discounts passed on to patients on important drugs from community health centers. The President’s new efforts to cut drug costs are about making it affordable for American patients to be in control of their own health, their own healthcare choices, and the care they decide on with their own doctor.”

“Today’s Executive Order does what President Trump came into office with a mandate to do: disrupt a failed Washington status quo,” said CMS Administrator Seema Verma. “Thanks to this bold step, Medicare will no longer be a powerless price taker, and American seniors will no longer foot the bill for the world’s innovation while other countries take a free ride.”

“Access to affordable medicines is a public health priority and bringing more drug competition to the market and addressing high costs are top priorities of the Administration, HHS and FDA. The FDA is undertaking a series of policy and scientific initiatives to help patients get access to the safe and effective treatments they require,” said FDA Commissioner Stephen M. Hahn, M.D. “We’ll work closely with HHS to implement the Executive Order as it relates to FDA. We remain committed to advancing the policies outlined in the Safe Importation Action Plan, as quickly as possible, as we continue our broader work to increase drug competition to benefit American consumers.”

“Today’s action by the President will ensure that the most vulnerable among us receive the greatest benefit from both the health center and 340B drug pricing programs,” said HRSA Administrator Tom Engels. “The executive order will further help these two programs work together to see to it that health center patients have access to both high quality primary care and life-saving, affordable medications.”

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