Trump’s 2019 Plans to Fight Drug Costs, Childhood Cancers and HIV/AIDS

A look at the 2019 State of the Union address

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In his 2019 State of the Union address (SOTU), president Trump called on Congress to “pass legislation that…delivers fairness and price transparency for American patients. Finally. We should also require drug companies, insurance companies, and hospitals to disclose real prices to foster competition and bring down costs.” (More on how the administration plans to reduce drug costs later in this article.) He stated that “as a result of my administration’s efforts, in 2018 drug prices experienced their single largest decline in 46 years.” Prescription drug costs actually increased in 2018, but not as rapidly as in the year before, according to The New York Times. The costs of existing drugs, however, are rising rapidly.

The president introduced brain cancer survivor Grace Eline, an American Childhood Cancer Organization Gold Ribbon Hero, and promised to increase funding for research into childhood cancer by $500 million over the next 10 years. (Learn more about research into childhood cancers in this article on cancerhealth.com, “Childhood and Adult Cancers Are Not Equal.”)

The president also made a promise to end HIV. See the article on POZ.com, “How HIV/AIDS Groups Responded to Trump’s State of the Union Address.”

Although he did not mention it in his speech, one of the administration’s most prominent actions to reduce drug costs is a proposed rule that would allow pharmaceutical companies to offer discounted prices directly to Medicare and Medicaid consumers—but not rebates to the middlemen known as pharmacy benefit managers (PBM). The proposed change, announced last week by Health and Human Services Secretary Alex Azar, would help health care consumers with particularly high prescription drug costs, although Medicare premiums would likely rise about $3 to $5 a month, according to Politico. Pharmaceutical manufacturers may also benefit because fewer consumers would be driven into the “coverage gap”—which currently kicks in after a Medicare recipient spends more than $3,820 in a year, after which drug companies pick up 75 percent of the cost or more. The change wouldn’t affect people in employer-based insurance plans unless Congress changes the law. Meanwhile, PBMs are fighting the proposal, arguing that it will drive up

premiums and costs for the government without substantially reducing drug costs. In any case, because of the complexity of the issue, the proposed rule is not likely to go into effect until 2021, according to the drug industry newsletter Fierce Pharma.

Trump's mention of the rule will make this the second SOTU in which the president has called for curbing high drug costs. In last year's SOTU, the president also advocated for the Right to Try Act, which was passed by Congress and went into effect in May 2018. The law allows people with a terminal illness the right to access drugs that have passed only very early (Phase I) Food and Drug Administration (FDA) approval. However, more than 100 medical associations and patient advocacy groups, including the American Cancer Society, have argued against the new law, noting that the FDA already approves 99 percent of requests for access to nonapproved drugs to such patients under existing compassionate use protocols. Some argue that the new law would open the door to unscrupulous companies charging patients exorbitant amounts for unproven nostrums (see Is "Right to Try" Really "Right to Pay?").

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