Four Ways the Trump Administration Can Rein in Drug Pricing

Report by HIV and hepatitis C advocates gives lawmakers and the White House a 100-day road map to tackling drug costs.

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The Fair Pricing Coalition (FPC) distributed a new report titled Tackling Drug Costs: A 100-Day Roadmap to President-elect Donald Trump's transition team and to congressional leaders. According to an FPC press release, the report makes the case that the best way to rein in skyrocketing drug costs is to update and bolster existing laws.

"Political inertia and existing statutory penalties are failing to stop exorbitant drug prices," said FPC member Sean Dickson, lead author of the report and senior manager of health systems integration at National Alliance of State and Territorial AIDS Directors (NASTAD) in the press release. "Significant restructuring of payer systems is certainly one approach. However, our analysis clearly indicates that the incoming Administration and Congress can readily strengthen and modernize the existing framework to reduce federal drug spending and discourage egregious price increases in the private market."

Tackling Drug Costs: A 100-Day Roadmap breaks down the current drug pricing system and provides a clear, precise direction of how it can be fixed. Specifically, according to the press release, the report highlights four pathways to keep costs down:

- Fix the Formulas: Modernize and strengthen current ceiling price formulas to ensure that government payers are not paying more than commercial payers
- Enhance Existing Penalties: Remove inflation penalty caps, increase penalties on drugs with the most egregious price hikes, and apply penalties to new drugs with launch prices far in excess of top sellers in the same class
- Pool Purchasing Power: Increase inter- and intra-agency collaboration to consolidate Federal and State negotiating power
- Pull Back the Curtain: Buttress existing transparency tools while studying the effects of

additional manufacturer price and payer cost disclosures.

“FPC has spent many years pleading with the pharmaceutical industry, particularly those responsible for manufacturing lifesaving human immunodeficiency virus (HIV) and hepatitis C virus (HCV) drugs and biologics to keep their prices in check as to not create hugely problematic access barriers,” added FPC cochair Tim Horn, a contributor to the report and the deputy executive director of HIV & HCV programs at Treatment Action Group (TAG) in New York. “Pharma clearly isn’t listening and it appears it is doubling down on messaging and lobbying efforts to justify its egregious pricing. It is high time for the government to clamp down on drug pricing tactics that drive up health care costs and invariably hurt health care consumers. We’re pleased to present the administration and Congress with a roadmap that can control these costs without jeopardizing market-driven ingenuity.”

Some key results of implementing these pathways, according to the report, will include heightened government regulation of the private market, nationalization and increased scrutiny of patents, and unified approaches to drug pricing and coverage among other changes.

Visit FairPricingCoalition.org to download the full report and executive summary.

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