



Trump Forces Big Pharma To Swallow A Bitter Pill

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When Nashville native Robyn Erickson came to the defense of Donald Trump during a mid-October town hall in Tennessee organized by OZY, she didn't give the typical litany of responses — the economy or conservative judges or even immigration. Challenging suggestions that the president has not achieved meaningful successes in office, Erickson, a conservative, said, "There have been more generic drugs approved in the last year than at any other time." She added that the president had helped negotiate lower drug prices and alternatives to Big Pharma drugs for doctors to prescribe. "How many people know there is no longer a muzzle over your pharmacist's mouth?"

The moment was a reminder of how Trump's drug politics, particularly around pricing and opioid abuse, remain attractive two years after his election. As Erickson stated, the Food and Drug Administration under Trump has approved more generic drugs than ever before, clearing a record 971 during fiscal year 2018. The president also signed two bills in October designed to prevent "gag order" agreements prohibiting pharmacists from helping patients find lower-cost alternatives to the big-money brands. Those brands, in turn, argue that the billions it costs them to develop new pharmaceuticals should grant them a monopoly on those cures once they are brought to market. Since Trump announced a nearly 50-point blueprint to reduce drug costs in early May, there have been fewer brand-name-drug price hikes. An Associated Press investigation found that drug prices on average are still rising, but less dramatically than in the past.

The president's interest in the issue has been sustained, even as his other flirtations with policy, such as improving America's transportation infrastructure, have faded. In a surprise announcement less than two weeks before the midterms — likely a nod toward the political benefits — Trump said he would create an "international pricing index" that would more closely align American costs to those seen in other peer nations, hoping to allow steep discounts for drugs purchased under Medicare Part B.

"In terms of putting the public spotlight on it, he has been consistent and has shown an appropriate instinct to the extent to how the American people feel about this issue," says Peter Maybarduk, a drug pricing expert at the nonprofit, left-leaning think tank Public Citizen. While Maybarduk believes Trump could do more, he admits that Trump has already gone further than the Obama administration. "We're up to five discrete actions taken in the last few weeks that we do see as positives."

Initially, Trump's pro-business mien seemed an odd fit to take on Big Pharma. But pharmaceutical companies were notably slow to get on the Trump train. By the end of 2015, Big Pharma had given him less money than any other presidential contender: only \$1,010, or "enough to buy one Daraprim pill," as CNN put it at the time. Hillary Clinton had already received nearly \$350,000 from those companies by then.

Pharmaceutical companies tried to catch up by spending millions to help fund Trump's inauguration, including \$1 million from drugmaker Pfizer and \$500,000 from Amgen. Bob Hugin, then the CEO of cancer-drug company Celgene and now a Republican U.S. Senate candidate in New Jersey, donated the maximum \$5,400 to Trump's campaign and another \$233,200 to the Republican National Committee. But the money couldn't buy them love. Trump's FDA listed Celgene as one of a number of drugmakers potentially exploiting Americans for profit with too many price hikes.

Trump's willingness to go against his backers on this issue lends some credibility to what might be considered campaign blather. "At long last, the drug companies and foreign countries will be held accountable for how they rigged the system against American consumers," Trump said when announcing the international pricing index. "This is a revolutionary change. Nobody's had the courage to do it, or they just didn't want to do it." Stephen J. Uhl, head of Pharmaceutical Research and Manufacturers of America (PhRMA), shot back by essentially accusing Trump of being a liberal: "The administration is imposing foreign price controls from countries with socialized healthcare systems that deny their citizens access and discourage innovation."

Trump's actions are in stark contrast to those of his predecessor, Barack Obama, who gave PhRMA a sweetheart deal — promising to oppose any congressional action to allow Medicare to bargain for lower drug costs or re-import cheaper drugs — to ensure it wouldn't oppose the Affordable Care Act. (The powerful lobby might well have killed the bill otherwise.) Drug companies agreed to reduce consumer costs by \$80 billion over 10 years, but the bite could have been far bigger. "That took real reform off the table for the entirety of the Obama administration," Maybarduk says.

For Trump, there have been some hiccups along the way. Charlie Silver of the libertarian-leaning think tank Cato Institute, says Trump's work to renegotiate drugs bought under Medicare Part B, for example, is a small slice of drug-pricing concerns compared to those bought under programs like Medicare Part D. It is "still the tail, not the dog," says Silver, co-author of *Overcharged: Why Americans Pay Too Much for Health Care*.

And Trump's plan for international reference pricing isn't a sure hit. His own health and human services secretary, Alex Azar, testified before the Senate in June that drug firms would simply wait longer to introduce new drugs or use other bureaucratic tricks to avoid selling their drugs cheaper.

While Trump's position is far from perfect, it has led to meaningful traction on a powerful issue. Four-fifths of Americans believe the cost of prescription drugs is unreasonable, while nearly a quarter said pharmaceutical companies had too much influence in Washington, according to the 2018 Kaiser Health Tracking poll.

That poll also showed independents trusted Democrats more than Republicans to address overpricing. But this summer, Trump's FDA formed a working group to discuss the possibility of tackling high prices by importing drugs from overseas, an idea that was popular during the 2016 presidential race among Bernie Sanders supporters as well as Trump backers. It would be a bitter pill for the pharmaceutical industry to swallow but might be just the pick-me-up Trump needs for his political fortunes.