

Trump Proposes to Lower Medicare Drug Prices

On October 24, the Trump administration presented a new scheme to drastically lower the cost of some expensive drugs administered under Medicare. He intends to go about doing this by associating what Medicare pays for these drugs to what alternate industrialized nations pay. This variation between what other countries pay for pricey drugs and what Americans pay has apparently bothered United States President Donald Trump for awhile; he claims that “For decades, other countries have rigged the system so that American patients are charged much more—and in some cases, much, much more—for the exact same drug.” The Trump administration has recently revealed plans for how they plan to go about lowering these costs.

The proposal would take care of the issues in Part B of the Medicare program in two majorly significant ways. Firstly, it would replace the 6 percent commission on drug infusions received by doctors that is linked to the median selling price of a drug with a new system; one in which the doctors make a reasonable amount, but without the corrupt motivations. In addition, physicians would be paid off for authorizing a pricey drug or a cheap one, providing them with more motivation to administer low-cost medications to their patients. Secondly, it would relate Medicare Part B costs with an International Pricing Index based on sixteen other nations.

This program would be overseen by the Center for Medicare & Medicaid Innovation, an agency established under the Affordable Care Act to brainstorm ways to

make Medicare and Medicaid more cost-effective. The pilot would be expected to take care of half of the United States population, and the Trump administration believes that the scheme could lower Medicare Part B spending by \$17 billion over the next five years. Additionally, because seniors taken care of under the Medicare program are required to pay for a portion of their Medicare Part B drug expenses, reduced Medicare drug costs would turn into large savings for seniors receiving these medicines. Though the plan appears positive to many American citizens, many have been quick to point out flaws in the proposal.

The Pharmaceutical Research and Manufacturers of America, the most well-known drug lobby, responded very quickly to the plan, saying that the proposed scheme would “jeopardize access to medicines for seniors and patients with disabilities living with devastating conditions such as cancer, rheumatoid arthritis and other autoimmune diseases.” The Biotechnology Industry Organization (BIO) also spoke in response to the proposal, stating that it would continue “a troubling trend towards undermining the Medicare Part B drug program.” Supporters of the proposal have responded to these critical statements, saying that what really sabotages the Medicare program is its unendurable cost, which has apparently proven to be biggest donor to issues surrounding the nation’s debt. The Trump administration has also been criticized for the irony in their own plan: Trump’s “American Patients First” drug cost draft made fun of the idea of determining prices based on an international index.

Despite the very positive appearance of President Trump's new proposal to lower drug prices, many worry that the plan could turn out to be troublesomely flawed, and create more problems than it would solutions. Nevertheless, this plot could save money for the government, as well as for millions of Medicare receivers. Whether this plan will ultimately cause more help than harm or vice versa is, so far, unknown.