

# Leaked TPP Trade Bill Healthcare Annex. De Facto Privatization of Medicare

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*Proposed Trans-Pacific Partnership (TPP) trade legislation and its companion Transatlantic Trade and Investment Partnership (TTIP) are anti-consumer stealth corporate coup d'etat freedom and ecosystem-destroying measures – nightmarish by any standard.*

*They let corporate predators establish unrestricted supranational global trade rules overriding national sovereignty and domestic laws.*

*They serve investor rights at the expense of public ones.*

On June 10, [WikiLeaks](#) published the draft TPP Healthcare Annex (so-called Annex on Transparency and Procedural Fairness for Pharmaceutical Products and Medical Devices).

It establishes pharmaceutical and medical device procurement and reimbursement rules government healthcare authorities must follow.

Vague language creates opportunities for drug and medical device companies to challenge Medicare and healthcare program procedures of the 12 TPP-bloc countries.

Consumer friendly policy reforms would be constrained – including the ability of governments to contain rising prices making them unaffordable for millions.

Big Pharma wants profits protected over public health, said WikiLeaks. It wants them maximized.

An earlier Healthcare Annex was released in 2011. Some harmful provisions were removed in the latest version. Global Trade Watch (GTW) says serious questions remain unanswered – vital for people to know, including:

“What guarantees are there that the TPP’s requirements would not override existing procedures for Medicare?”

The US Trade Representative’s Office (USTR) claims Medicare fully complies with TPP provisions.

“Yet (their) ambiguous language...leaves our domestic healthcare policies vulnerable to attack by drug and (medical) device manufacturers,” said GTW.

Could companies use Healthcare Annex provisions to cover expensive products “without a corresponding benefit to public health,” GTW asked?

Medicare reimburses for “reasonable and necessary” products and treatment. TPP “recognize(s) the value (of drugs and medical devices through the) operation of competitive markets (or their) objectively demonstrated therapeutic significance” - regardless of effectiveness or affordability.

Medicare permits limited reimbursement appeals only. Companies might argue TPP rules permit unrestricted reviews.

“Would the TPP constrain pharmaceutical reform efforts in the US,” asked GTW? Healthcare Annex provisions apply to future coverage determinations as well as current ones.

Healthcare reform advocates want soaring drug prices curtailed by establishing a “national formulary” enabling the government to get substantial discounts passed on to consumers. TPP won’t allow it.

“Could the inclusion of this Annex in the TPP bolster the case of a pharmaceutical company that is suing the United States,” asked GTW?

Investor-State Dispute Settlement procedures have been included in US trade agreements since the 1990s. Foreign companies may challenge government policies - claiming they potentially curtail future profits. In return, they demand “unlimited sums in taxpayer compensation.”

GTW asked if the Healthcare Annex boosts their case - at the expense of the public interest. Companies could claim government policies compromised their profit expectations and demand compensating reimbursement at taxpayers’ expense.

Much about TPP remains secret - vital information people have a right to know. If enacted, Washington wants it extended to all Asia Pacific Economic Cooperation (APEC) members - about 40% of the world’s population.

Attorney Judit Rius Sanjuan for Doctors Without Borders says TPP “will increase the cost of medicines worldwide, starting with the 12 countries that are negotiating” TPP.

Hugely profitable drug companies want unconstrained rights to charge whatever the market will bear. They claim high prices are needed to compensate for billions of dollars spent for research - without acknowledging how much governments in America and elsewhere pay for, passing on scientific research information to drug companies cost-free.

GTW director Lori Wallach calls the Healthcare Annex leak “the latest example of why fast-tracking the TPP would undermine the health of Americans and the other countries and cost our government more, all to the benefit of pharma’s profits.”

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