

Spiralling Health Costs: Trump's Executive Order in the Works on Lowering Drug Prices?

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Since taking office, Trump reneged on his pledge to lower unacceptably high drug prices time and again.

More on this below and a reported White House executive order in the works on this issue.

The cost of healthcare in the US is double the annual per capita amount in other developed countries because Washington is beholden to Big Pharma, insurers, and large hospital chains.

The cost of prescription drugs is far higher in the US than in other developed countries because of collusion between Big Pharma and US policymakers.

According to 2017 Commonwealth Fund data, annual per capita prescription drug spending varies in developed nations below as follows:

- Sweden - \$351
- Norway - \$401
- Netherlands - \$417
- Australia - \$427
- United Kingdom - \$497
- France - \$553
- Canada - \$669
- Germany - \$686
- Switzerland - \$783
- USA - \$1,011

The Scientific American reported that prices for the world's top-selling drugs are three-times higher in the US than Britain.

An earlier Kaiser Family Foundation poll found around 19 million Americans bought prescription drugs abroad because of much lower costs.

Last year, [drugwatch.com](#) said a US diabetic woman bought a 10 ml bottle of insulin in Canada for \$21 — compared to \$450 for the same amount at home. Without insurance in the US, her cost to stay alive reportedly would be about \$3,000 monthly.

According to Kaiser Family Foundation Analysis of National Health Expenditures, annual inflation-adjusted per capita consumer spending for prescription drugs increased from \$90 in 1960 to \$1,025 in 2017.

In 1960, US healthcare spending was around 5% of GDP. Today it's near 20% because annual cost increases way exceed inflation.

The cost of healthcare is increasingly unaffordable in the US because there's virtually no restraint on business to charge what the market will bear — the problem exacerbated by millions uninsured, most others underinsured.

On average annually, US drug prices continue to rise without restraint because policymakers have done little or nothing to make them affordable for consumers.

High healthcare costs are the leading cause of consumer bankruptcies in the US.

In 2017, 45% of Americans said they'd be hard-pressed to pay an unexpected \$500 medical expense unless able to get loan help, either repaying it over time or not at all, according to one study.

Most insured Americans use all or most of their savings to pay medical expenses. A common way to cut costs is by skipping medications. It risks making a bad situation worse.

Half or more of US households are impoverished or bordering it, forcing them at times to choose between paying rent or serving mortgages or covering high medical expenses — an untenable situation.

Trump reportedly is preparing an executive order, including "a favored-nation clause where we pay whatever the lowest nation's price is," he said on Friday.

A so-called price index idea is being reviewed by the White House Office of Management and Budget, the executive order perhaps to call for a pilot program beginning in 2020.

Even if Trump follows through on this idea, here's the catch. It will only apply to federal government-purchased drugs, not what consumers pay at the retail level.

The EO also would not be as binding as legislation. It would only likely direct Health and Human Services (HHS) to take the White House order into consideration in pursuing its policies, intense Big Pharma lobbying likely to restrain them.

Further, Medicare Part D lets private insurers negotiate drug prices, not the federal government — other than what's bought for the Veterans Administration and US prison system, a small fraction of healthcare spending in America.

Whatever is included in Trump's EO will have no benefit for average consumers, struggling to afford high drug and other healthcare costs.

Candidate Trump pledged to let Medicare negotiate discounts for prescription drugs. Straightaway in office, he yielded to Pharma lobbyists, abandoning his promise, falsely claiming "smaller, younger companies" would be harmed.

Most nations negotiate lower prices with drug companies. In the US, they can charge what the market will bear unrestrained, keeping prices for many drugs extraordinarily high and unaffordable for millions of Americans.

Time and again, Trump pledged one thing to help ordinary Americans and did something

entirely different.

In May 2018, he said major drug companies would be announcing “massive drug price cuts” voluntarily – with no further elaboration. It never happened.

He repeated the pledge throughout the year, saying drugmakers are “getting away with murder.”

Throughout his tenure, far more drug price increases occurred than cuts. AP News reported that in the first seven months of 2018, “there were 96 price hikes for every cut.”

Former senior Eli Lilly executive **Alex Azar** heads HHS. It operates as an arm of corporate interests the same as the Food and Drug Administration.

Trump’s first FDA commissioner **Scott Gottlieb** served as a neocon American Enterprise Institute fellow. Under Bush/Cheney, he was a member of the White House biodefense interagency working group.

Earlier he was also involved in FDA decisions involving about 20 healthcare companies, his allegiance to them, not public health, safety and welfare.

In April, **Normal Sharpless** succeeded him as FDA head, co-founder of G1 Therapeutics, a biopharmaceutical company, and Sapere Bio, another biotech firm.

Like others heading the FDA and HHS, he’s primarily beholden to corporate interests.

Like his predecessors, so is Trump, a billionaire real estate developer, serving monied interests exclusively at the expense of ordinary Americans.

His reportedly in the works executive order on drug prices will do little, if anything, to make them more affordable for the vast majority of ordinary Americans.

It’s why universal healthcare is an idea whose time has come — ending the US status as the only developed nation without it in some form.

What should be a fundamental human right is commodified in the US — available to Americans based on the ability to pay what’s unaffordable for growing millions.

The world’s richest country fails to provide its citizens with what’s essential to life and welfare — while most of its discretionary spending goes for militarism, warmaking, and corporate handouts.

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