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Making Medicine Affordable

People are suffering due to outrageous prescription drug prices.

- Three-in-ten Americans report [rationing their medicine](#) due to cost. No one should have to choose between basic necessities like groceries and caring for the medical needs of loved ones.

Prices are high because of prescription drug corporations' monopoly power.

- Patents and other government-granted exclusivities give corporations the [power to set prices](#), launching new drugs at tens or hundreds of thousands of dollars per year. We now are seeing the first million-plus dollar medicines.
- Corporations also spike the prices of older drugs across their product portfolios year-by-year.

The government imposes few disciplines on price.

- It does not even negotiate prices directly on behalf of Medicare, the world's largest drug purchaser.

The reason for these failures is clear: Big Pharma is the biggest lobby in DC, by far.

- Big Pharma spends nearly \$300 million a year on lobbying, nearly double the number two industry.
- Pharma employs more than two lobbyists for each member of Congress.

We can change this. Congress has power to reduce prices and so does the President under existing law. The next President can make medicines affordable for everyone.

Solutions

Government needs to do three things, in ten words: Increase negotiating power, block price spikes and curb monopoly abuses.

Negotiate prices and use generics if corporations refuse to sell at a reasonable price.

- [Nine in ten](#) Americans want the government to negotiate prices for Medicare Part D. It is barred from doing so because of a bad deal Congress made with Big Pharma lobbyists. This must change.
- Candidate Donald Trump promised to deliver Medicare negotiation power. Since taking on several Big Pharma advisors in his administration, he has broken that promise.
- Government should back up its negotiations with leverage, for example by taking back government-granted monopolies and authorizing generic competition when drugmakers do not offer a fair price.

Block year-to-year price spikes.

- Pharma Bro price-spiker Martin Shkreli did not act alone. Drug corporations jack up the price of products in their portfolios twice per year, sometimes at rates three times faster than [inflation](#).
- Congress should pass legislation taxing price spikes and penalizing drugmakers that do not comply.

Fight monopoly power.

- We the people give drug corporations their monopoly power, and we can take that power back.
- Low-cost generic medicines have saved the country more than [\\$1 trillion](#).
- Congress should end patent “evergreening,” pay-for-delay and other abuses of monopoly power.
- Congress should rationally limit patent terms and rescind exclusivities it has created.
- The President should authorize generic competition with patented products case-by-case when corporations set abusive prices. Congress should require the same as general rule.

Principles

We can have both affordable medicine and better innovation.

- We are paying for monopoly. Corporations price to maximize revenue, not according to R&D costs.
- Taxpayer-funded research supported [every new drug](#) approved from 2010–2016. Taxpayers fund more than \$30 billion in medical research each year through the National Institutes of Health.
- Drug corporations profit massively off this subsidy. NIH should require affordable pricing in return.
- NIH research is extremely productive and should be expanded so that health, rather than profit, guides our medical research priorities.

Polling shows that, on a bipartisan basis, Americans want bold solutions.

- [Eight-in-ten](#) favor breaking patent monopolies to reduce drug prices.
- [Two-thirds](#) favor making prescription drugs public goods paid for by the federal government.
- [Three-in-four](#) favor shortening monopoly periods.
- [Nine-in-ten](#) small business owners believe that drugs developed with taxpayer dollars should be made affordable to every American.

Even without Congressional action, the President can slash prices under existing law.

- Under [Section 1498](#) the government may authorize generic competition or manufacture patented medicines for public programs at any time, in exchange for reasonable competition.
- Through [march-in rights](#) the government may authorize generic competition for the entire U.S. market when federal funding led directly to the invention of a new drug.
- The government used these powers to buy low-cost generic versions of patented drugs in the 1960s. Government agencies continue to use these patent powers in other sectors today (energy, defense). Louisiana recently leveraged the prospect of patent licensing to negotiate major [discounts](#) for the hepatitis C cure. The George W. Bush administration did the same during the anthrax scare.
- The President should insist, and can require, that taxpayers get affordable prices for the treatments and cures their public research dollars made possible.

*Corporations and their lobbyists try to complicate this issue, but the basic principle is simple: **if we stand up to the monopoly power of Big Pharma, we can make medicine affordable for everyone.***