

President Trump Gives Speech on Prescription Drug Prices and Releases Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs

May 11, 2018 – Dorsey Health Law

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On May 11, 2018, President Trump gave his long-awaited speech on his administration's plan to lower prescription drug prices. In addition, the administration published its Blueprint to Lower Drug Prices and Reduce Out-of-Pocket costs. The blueprint can be found [here](#). The blueprint focuses on four areas for reform including strategies to: (1) improve competition; (2) increase negotiation power; (3) provide incentives for lower list prices; and (4) lowering out-of-pocket costs.

Some specific strategies outlined in President's speech and in the blueprint include:

1. Measures to promote innovation and competition for biologics;
2. Assessing the varying drug prices paid by foreign countries versus the United States;
3. Encouraging sharing of samples needed for generic drug development;
4. Creating additional efforts to promote the use of biosimilars;
5. Reforming Medicare Part D to give plan sponsors more power when negotiating with manufacturers;
6. Allowing additional substitution in Medicare Part D to address price increases for single-source generics;
7. Considering requiring manufacturers to include list prices in advertisements;
8. Considering whether to restrict the use of rebates, including reconsidering the Anti-Kickback safe harbor for drug rebates;
9. Considering fiduciary status for Pharmacy Benefit Managers;
10. Reforms to the 340B Drug Discount Program;
11. Considering changes to regulations regarding drug copay discount cards; and
12. Prohibiting Part D contracts from preventing pharmacists' from telling patients when they could pay less out-of-pocket by not using their insurance.



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President Trump emphasized in his address that he expects many of these changes to occur quickly, and comments are being sought on the policies outlined in the Blueprint. It is unclear how quickly, and how many, of the proposals will actually be adopted and implemented. We are continuing to monitor these trends and any resulting changes for our clients in the pharmacy market, and we will provide updates as we have them.