Regulating America’s Pharmaceutical Drug Prices

Vivian Hedican, Amber Bautista, and Nathan Joseph

Notes: Final expenditure on pharmaceuticals includes wholesale and retail margins and value-added tax. Total pharmaceutical spending refers in most countries to “net” spending, i.e., adjusted for possible rebates payable by manufacturers, wholesalers, or pharmacies. Data from all countries include only the portion spent on retail prescription medications, except for the Netherlands and the United Kingdom, where spending on pharmaceuticals includes prescribed medicines, over-the-counter medications, and other medical nondurable goods. Pharmaceuticals consumed in hospitals and other health care settings are excluded.

Background

- In 2014, American spending on prescription drugs rose 13.1%
  - Driven by a 30.9% increase on speciality drugs
- Rose another 12.2% in 2015
- Failed Policies:
  - New Drug Application (NDA)
  - Abbreviated New Drug Application (ANDA)
Public Opinion

General
× 80% of Americans believe pharmaceutical drugs are priced too high
× 73% of Americans believe pharmaceutical companies profit too much off their products

Pro Regulation
× Patients for Affordable Drugs
× Mission: “to break the monopolizing pricing power of drug corporations”

Anti Regulations
× The Alliance to Protect Medical Innovation
× Mission: “preserving the pipeline of breakthrough medicines that reduce costs within the health care system and help people live longer, healthier, and more productive lives”

Kaiser Family Foundation’s Health Tracking Poll
Currently In Motion

- FDA is working to approving more biosimilars
  - As of now nine are approved
  - Only three are commercially available
  - Has potential to save $54 billion over the next ten years

- Bills:
  - SB 73 - cannot restrict information regarding alternative drug or other services cost
  - HB 1442/SB 1521 - Established PBMS and maximum allowable cost
Good Health and Well-Being

× UN Sustainability Goal 3
  × Specifically the eighth section
  × “...quality and affordable essential medicines and vaccines for all”
1. Federal Communication and Price Reference Act
What does this policy do?

- Enacted through the FDA
- Mandates communication between FDA and drug companies for pricing
- Releases national reference pricing to the public
  - Done by each drug class
  - Reference price is an average of the most and least expensive drug in each group
Policy Faults

Loss of Investor Interest in Pharmaceutical Industry
- Less money equates to less innovation and development

Overpricing of Less Commonly Produced Drugs
- Allows certain companies to monopolize a single drug
Alternate Policy
Proposal:
FDA Permissions Act (FPA)
What does FPA do?

- FDA involved in regulation
- FDA suggests an appropriate retail price
- FDA and big pharmaceutical companies work together
Solvency

- Lowering the price of pharmaceutical drugs
- Allows the government to be able to cover more of citizen’s drug expenses
Our Plan for Implementation

General Assembly at IMSA, partnership with IMSA Medical Society (student club on campus)

- Informative presentation
- Incentives to encourage attendance and participation from student body
- Goal: Give students the tools needed to guide America to improve future legislation
Implementation Goals

× Give students the tools needed to guide America to improve future legislation by:
  × Educating the student body on current policies
  × Educating the student body on current fixes
  × Encourage them to take action for change
What this will achieve?

- Bring awareness of the issue to IMSA
- Educate students on what role they play in reforming policies
Future Steps for IMSA Students

1. **Educate**
   Raise awareness for the issue at hand.

2. **Vote!**
   Use what you have learned to make educated decisions.

3. **Reformation**
   Continue to push for change and let the officials you elected be your voice in Congress.
What can You Do?

- Educate Yourself
- Contact Local Government
- Inform Others
- Vote for Officials who Share Your Goals!
Sources

- https://www.patientsforaffordabledrugs.org
- https://protectmedicine.com/
- https://www.fda.gov/about-fda/center-drug-evaluation-and-research/frequently-asked-questions-about-cder
- https://www.nber.org/papers/w12676
- https://www.who.int/sdg/targets/en/
Thank You For Your Attention!