Congressional Democrats Object to White House’s Drug-Cost Plans
House committee members seek input from Trump administration on draft executive order

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The Trump administration’s efforts to clamp down on high drug prices triggered pushback on Wednesday from congressional Democrats who attacked the proposals under consideration as a giveaway to the drug industry.

The administration has been drafting an executive order that takes aim at various federal agency rules and the low prices paid overseas that the industry has long argued contribute to higher prices in the U.S., according to a person familiar with the draft.

The draft order criticizes a government program forcing drug companies to give big discounts to hospitals that serve a high proportion of low-income patients, while supporting rules changes that would allow the companies to link reimbursement to health improvements in patients, the person said.

Drug companies have long sought such changes, which the firms say would help blunt high prices. But other health-care-industry players and experts have said the moves would do little in the U.S. to curb drug costs or increase competition.

The content of the order could change, and it is unclear when the White House would even issue the order.

President Donald Trump has said drug companies have been “getting away with murder” by charging so much for medicines, and vowed to take action to make drugs more affordable.

Following reports in various media outlets regarding the White House’s plans for a drug-price executive order, two Democrats on the House Oversight committee sent a letter to President Trump asking for the opportunity to provide input.

“Our planned executive actions suggest that you have abandoned these promises in favor of the very pharmaceutical lobby you warned of,” Rep. Elijah Cummings (D., Md.) and Rep. Peter Welch (D., Vt.) wrote.

The Pharmaceutical Research and Manufacturers of America, an industry trade group, declined to comment on the letter or reports about the executive order. The White House Office of Management and Budget didn’t respond to requests for comment.

High prices for drugs like Mylan NV’s EpiPen allergic-reaction treatment, Turing Pharmaceuticals AG’s anti-parasite drug Daraprim and heart drugs whose prices rose by triple-digit percentages after being bought by Valeant Pharmaceuticals International Inc. have been criticized by both Republicans and Democrats and been the subject of congressional hearings, most recently by the Senate’s health committee last week.
The White House, in putting together the executive order, has considered proposals that would fulfill drug-industry aims for removing regulations companies consider outdated or burdensome, cut the cost of drug testing and strengthen patent-protection for drugs overseas, according to documents reviewed by The Wall Street Journal.

One of the recommendations in the documents, which would allow drug companies to discuss experimental drugs with insurers to speed up reimbursement after approval, provides a link to a policy proposal on the PhRMA website.

The documents recommend deterring branded-drug makers from a tactic that prevents generic rivals from obtaining medicines to study them and produce cheaper copies. Drug-safety programs imposed on some drugs by the Food and Drug Administration restrict sales of the medicines, and generic-drug companies accuse branded rivals of using the programs to prevent them from accessing the drugs.

But another person familiar with the White House discussions said the administration so far appears unwilling to go far enough to eliminate the practice, which generic drug companies argue delays their efforts to bring to market lower-priced copies of expensive branded medicines.

FDA Commissioner Scott Gottlieb said in a website post Wednesday that the agency would hold a public meeting July 18 to “solicit input” on moves the agency could take to get approve generic drugs more quickly, including restricting use of the drug-safety programs to prevent generic companies from obtaining brand-name drugs for study. Dr. Gottlieb also said he wanted to work with the Federal Trade Commission to eliminate practices that could delay generic competition.