BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Trump promises to bring down drug prices

December 13, 2016 | News | By BioSpectrum Bureau

Trump promises to bring down drug prices

Singapore: In a recent interview with a leading magazine, Preisdent-elect Donald Trump said that he would bring down drug prices and reduce the cost of prescription drugs. Trump previously had also suggested that he was open to allowing importation of cheaper medicines from overseas.

In a cover story for Time magazine, which named him its Person of the Year, Trump said: "I don't like what has happened with drug prices." This might bring relief to many consumers who have been constantly affected with rising drug prices.

Recently a Reuters report stated that, top executives from large US drugmakers on Thursday discussed for the first time possible changes for the industry under President-elect Donald Trump, and issues that have damaged the reputation of their industry.

Speaking at the event, Allergan Inc Chief Executive Mr Brent Saunders said, "Though pharma companies are now breathing a sigh of relief, Trump could be more critical of drugmakers and their price increases than the industry expects." Mr Saunders predicted that Trump could be a "more vicious tweeter" against the drug industry than his former Democratic rival Hillary Clinton had been during the campaign.

Ms Clinton's tweets committing to a crackdown on exorbitant drug price increases weighed heavily on pharmaceutical shares since her first tweet in September 2015. Pharma shares jumped in the days after Trump's election as Clinton's proposed price controls fell off the table.

Ã?Â

Mr Saunders said Americans are rightly angry about price increases, and the industry needs to police itself or face government repercussions.

"I worry today that the pharmaceutical industry has a very false sense of security because of the Trump administration and a Republican-controlled Congress," Mr Saunders said.

Regeneron Pharmaceuticals CEO Len Schleifer, speaking on a panel at the Forbes conference, said the industry will be seen in a bad light as long as it maintains the common practice of taking twice yearly, often double-digit, price increases on widely-used medicines.

"We as an industry have used price increases to fill gaps in innovation," he said."You can't say 'I set the price based on the value of the drug' and then have these egregious price increases," Schleifer said, adding that the value of a drug to society does not increase each year.

Pfizer Inc CEO Mr Ian Read took exception to Schleifer's characterization of the price hikes, arguing the cost of prescription drugs as a percentage of overall healthcare spending had not changed in two decades.In an overhauled U.S. healthcare plan under Trump, Read said he would like to see financial risk shift from insurers to providers, such as hospitals, with an emphasis on prevention and wellness.

"Give them the tools and the freedom and the incentive to manage that risk," Mr Read said. Separately, Merck & Co CEO Ken Frazier said he thought one of Trump's proposed healthcare reform policies - allowing the import of cheaper drugs from other countries - will not work. The U.S. pays more than any other country for medicines, and current U.S. law forbids importation of drugs from other countries that charge far less.

"I don't think it's going to be made possible," said Mr Frazier, during an interview on CNBC after an appearance at the conference. "Every time we've tried to do that no FDA commissioner has ever been willing to certify the safety of those drugs."