

Negotiating Lower Drug Prices Bill OK'd But Faces Bush Veto

BY JOHN TOSCANO

Keeping a promise made soon after they took control of Congress, House Democrats last Friday passed a bill which requires federal healthcare officials to negotiate lower drug prices with pharmaceutical companies, which in turn will lower prices at the drug counter for seniors.



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Immediately afterward, President George W. Bush's press secretary, Tony Snow, said if the bill comes before the president, he will veto it. Republican lawmakers said Democrats would not have the votes to override the veto.

When the Part D Medicare drug prescription subsidy law was written, the president insisted that the non-negotiation clause be put into the law.

But Democrats strongly opposed the bar to negotiating, charging it was merely assuring huge profits for the drug makers. They had vowed to lift the bar as soon as possible, and they passed the new bill just eight days after the new Congress convened.

However, opposing Republicans said that Medicare officials would not have enough leverage to force drug firms to lower their prices.

Democrats were adamant that the legislation was needed to achieve lower prices for seniors.

Congressman Joseph Crowley (D- Queens/The Bronx) said after the bill passed by a 255-to-170 vote, "Drug prices have risen [at] twice the rate of inflation and older Americans have had to pay dearly for the prescription medicines they need. With this legislation, the Secretary of Health and Human Services will have the power, and be required, to negotiate the price of drugs for our nation's seniors."

Supporters of the bill noted that mail order houses which service labor unions that provide drug coverage for their members are able to negotiate lower prices because they buy large quantities of drugs. They also point out that the Veterans Administration which provides drugs for many veterans treated at VA hospitals, negotiates lower prices for its huge membership and passes along the savings to members.

Crowley said that according to a Kaiser Family Foundation poll, more than 80 percent of the American public believe that the Department of Health and Human Services (HHS) should have the authority to negotiate for lower drug prices and want the bill enacted.

Crowley said the legislation has widespread support from many senior advocate groups, including Families USA, Consumers Union, AARP, the National Community Pharmacists Association, AIDS Action, the National Committee to Preserve Social Security and Medicare, the Center for Medicare Advocacy, the Medicare Rights Center, the American Nurses Association and others.

In the United States Senate, where the Democrats have a two-vote majority, party leaders there feel the bill will be passed.

Last week, Senator Max Baucus (D- Montana) said he believed that Medicare could negotiate lower prices in some areas where seniors need the most help.

Baucus, chair of the Finance Committee, said in a recent news article, "The total prohibition on negotiating should be eliminated."

He and other Democratic senators said the government should negotiate drug prices in a few areas of the drug market where competition has not driven prices down.

But the White House said in a statement, "Government interference impedes competition, limits access to lifesaving drugs, reduces convenience for beneficiaries and ultimately increases costs to taxpayers, beneficiaries and all American citizens alike."

Meanwhile, another bipartisan bill has emerged in the Senate which also would lift the ban on negotiating. It would require Medicare to negotiate for lower prices in cases where the federal government had contributed a substantial amount of money toward the research and development of a medication.

It also would require negotiation if a brand name drug was produced by only one manufacturer and no substitute was available.