

The Power over Regulating Prescription Drug Prices

Almost 70% of Americans in the United States of America take at least one prescription drug and more than half take two. The prices of these drugs have risen more than 10% in 2015 (Dennis 2016). Brand name drugs such as Advil, Tylenol, and Robitussin etc. also have had a huge increase of 12.9% in the last year (Phillips 2016). These high cost prices have been leaving millions of Americans suffering to survive because their only hope to live is to have the medicine that their body needs (Tuttle 2016). The Government should have the power to regulate prescription drug prices rather than Private or brand named companies themselves.

In September of 2016, past US presidential candidate Hillary Clinton set free a proposal that would potentially create a large plan that would protect the U.S. consumers from very large price slopes on medical lifesaving drugs (I Side With 2016). This idea was a response to the high prices in the AIDS drug Daraprim and the EpiPen (I Side With 2016). Drug companies argue that they keep their prices high for two reasons; high prices will help keep their stock high and invest in the development and research for new drugs (I Side With 2016). Even though these high steep prices will prevent new drugs from being developed, Clinton's campaign quoted that Turing Pharmaceuticals LLC's elevating the price of its "AIDS drug Daraprim (pyrimethamine) and Mylan NV's" (I Side With 2016) repeated high price increases on the EpiPen for very bad allergy aches as "troubling" examples of price bursts that have allured bipartisan congressional scrutiny (I Side With 2016). With that being said, the Bipartisan congress got involved.

The US Bipartisan Act of 2015 regulated and required companies that provide drugs in the medicaid program or sell in general through a prescription from a doctor must pay a rebate to the state governments (Johnson, Moffit, Dubay, Galluso, Baskt 2015). Under the current law drug manufacturers enter into an coporation with the Secretary of Health and Human Services to supply drug coverage in the Medicaid program, and pay the states that control Medicaid a rebate, which is divided by the states and the federal government (Johnson et al. 2015). Section 602 of the US Bipartisan Act states that a single-source drugs, where a company has incompatible rights to manufacture the drug, if the prices rise faster than the rate of inflation would pay a further rebate to the Medicaid program. Section 602 also expands this “inflation-based” rebate provision from brand name drugs to generic drugs (Johnson et al 2015). Not only does this act help State taxes grow but it also helps the United states get out of a \$18.1 trillion dollar debt (Johnson et al 2015).

Even with the US Bipartisan Act helping the taxes grow, at the same time it does not help the average person pay for these high prices. Private medical drug companies and brand named companies prices has rose 15.5% in 2015 (PR Newswire 2016). That is almost 130 times faster than the 0.1% general inflation rate according to the new AARP Public Policy Institute (PPI) report released on December 14, 2016 (PR Newswire 2016). According to the US Bipartisan Act of 2015, with an 130% higher price than inflation, private companies as well as brand named companies would have to pay an outrageous rebate. For the average older American taking approximately 4-5 prescription drugs per month, this converts into an average yearly cost of therapy of \$26,000. This amount greatly surpasses the median income of \$24,150 for the Medicare beneficiaries population (PR Newswire 2016). Leigh Purvis the Director of Health Services Research, AARP Public Policy Institute, and the co-author of this report commented on these outrageous drug prices, “Prescription drug therapy is not affordable when its cost exceeds the patient's entire income," this comment perfectly describes what these companies are doing, they are raising their prices with a high inflation knowing that they have to pay a rebate to the

government but still get the full amount of money from the people that need their drugs in order to stay alive, whether the people that need them are paying out of pocket or part of a medical insurance (Purvis 2016).

The advantages of awarding the federal government negotiating for power over the prescription drug prices for people with Medicare and Medicaid in the United States includes the reduction of effects of controlled spending, a theory of best policies, and improvement of patients' access to drugs (Conti 2016). It only makes sense to have the Government in charge of regulating pharmaceutical drugs prices. If private companies and/or brand named companies keep inflating their prices, the only obstacle that they will have to go through is a huge rebate back to the government. Yet they still get back all profits from people who need their drugs. People's lives are on the borderline of dying, their only option of living is to get these drugs and pay these ridiculous prices (Purvis 2016).

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