

HEALTH ISSUES

Alert No. 2020-H-8

July 27, 2020

President Trump Signs Executive Orders Intended to Lower Drug Costs

On July 24, President Trump held a briefing at the conclusion of which he signed four executive orders aimed at lowering prescription drug prices. President Trump suggested that the orders will alter the current structure of the prescription drug market, with implications for patients/consumers, Medicare recipients and pharmacy benefit managers.

The executive orders include:

- [*Increasing Drug Importation to Lower Prices for American Patients*](#), which would allow drug importation for cheaper medicines by states, wholesalers, and pharmacies.
- [*Lowering Prices for Patients by Eliminating Kickbacks to Middlemen*](#), which would require pharmacy benefit managers (PBMs) to pass on drug discount rebates to patients, and provisions affecting Medicare Parts B and D for seniors.
- [*Access to Affordable Life-Saving Medications*](#), which would provide pharmaceutical discounts to low-income patients through a governmental program for insulin and epinephrine (EpiPens).
- The fourth executive order which the president signed but is withholding until August 24, 2020, to allow stakeholders to formulate an alternate plan prior to implementing the order, would allow Medicare recipients to pay the same price for certain prescription drugs as other countries pay, originally called the international pricing index (IPI).

It is unclear if and when these executive orders will go into effect, as the Department of Health and Human Services (HHS) has yet to release plans to implement the orders. The Academy will continue to follow any progress on the matter.

If you have any questions regarding this *Academy Alert*, please contact Devin Boerm, deputy director of public policy (boerm@actuary.org; 202-785-6929).

© Copyright 2020 American Academy of Actuaries. All Rights Reserved.