

Remarks on Efforts To Reduce Prescription Drug and Health Care Costs

August 29, 2023

Please, sit down. I look around the room, and this is a long time in coming. *[Laughter]*

Bill, we started doing this 25, 30 years ago, seeing if we could do something about these outrageous prices, give people a fighting chance. Unless you needed the drugs yourself or knew someone who did, it wasn't as real. But, boy, we've been fighting Big Pharma for a long time—a long, long time.

And, Steven, as my mother would say, "God love you, son." You've been through one hell of an ordeal. Your story is a familiar one for too many Americans. Instead of using all your energy to fight the disease, you're fighting insurance or drug companies for medicines that literally keep you alive. Without them, you're not going to be here.

On too many nights, too many Americans lay in bed staring at the ceiling, worrying what will happen if their spouse gets sick, if their child gets sick, or if something else happens to them.

And I should have said at the outset: When I look out in the audience, there's a lot of people who are in this fight, some even before me, that—it just is amazing. I want to thank you—you, the people sitting in front of me, the Members of Congress, the organizations you belong to—for making this happen. It wouldn't have happened without you. And that's not hyperbole.

Thank you, thank you, thank you, thank you, thank you. *[Applause]* I'm serious. I'm deadly earnest about it. I really am. So thank you.

You know, questions you lie in bed wondering about—I remember we lived in a three-bedroom, split-level home with four—we weren't poor; just a normal, middle class—I guess technically lower middle class family, but in a development of homes in my—the bulk of my childhood. That was a three-bedroom, split-level home that had four kids and a grandpop living with us. And you could hear everything in the house.

I remember one night—this is the God's truth. I remember one night—I guess I was a sophomore or junior in high school—and hearing my—the headboard of my dad's bed. I could tell my dad was restless in the next room. The next morning, I get up and asked my mom—I said, "What's the matter with Dad?" "He said the company just said they're not going to pay insurance anymore—health insurance."

Well, you know, that's tough enough. But imagine when you have lifesaving drugs you need to keep you alive. Do you have enough insurance? Can you afford your medical bills? Do you have to sell the house in order to pay for everything?

For all of you out there, I get it, and millions of Americans get it. And I promise you: I'm going to have your back, and I'll never stop fighting for you on this issue, nor will Kamala. Nor will Kamala.

But, again, I'm not being solicitous when I say: For all of you sitting in the audience, this would never happen without you—never would have happened without you. I'm not going to start naming names because I'm going to get in real trouble if I do that. *[Laughter]* But thank you.

Two weeks ago, we celebrated the first anniversary of the Inflation Reduction Act, which, in a sense, is misnamed. We did lower inflation, but there are many other things in that legislation.

One of the most significant laws ever enacted, especially when it comes to reducing the cost of prescription drugs. We pay more for prescription drugs than any other major economy in the world—than any other major economy in the world.

You can walk into a local drugstore across the country; you're paying two to three times more for the exact same prescription manufactured by the exact same company than it would cost you in Canada or France or anywhere else around the world.

Think about that: A drug company that makes a drug here in America, if it's sold in Chicago, you can buy the same drug in Toronto or Paris cheaper than you can buy it in Toronto—I mean, excuse me, in Chicago.

And unlike other parts of the health care system, Big Pharma got a special carve-out that stopped Medicare from negotiating prices of drugs through Medicare.

For years, advocates, like many of you in this room, have worked tirelessly to change that and give Medicare the power to negotiate lower prescription drug prices, just like the Department of Veterans Affairs has done—does right now. It matters. VA pays 50-percent less than Medicare can for—in negotiating the same—lower prices.

For years, Big Pharma blocked this. They kept prescription drug prices high to increase their profits. They extended patents on existing drugs to suppress fair competition instead of innovating, playing games with pricing so they could charge whatever they can.

But this is—finally, finally, finally, we had enough votes, by a matter of one, to beat Big Pharma. [Laughter] Well, we did it. We passed the Inflation Reduction Act with no help from the other team. Every single person on the other team in the Congress voted against it—every single one.

And we're in a situation here where the law finally gave Medicare the power to negotiate lower prescription drug prices. And by the way, negotiating drug prices, alongside other provisions of this law, isn't just going to put more money back in the pockets of millions of Americans across the country, it's also going to lower the Federal deficit.

According to the Congressional Budget Office, it will save the Federal Government \$160 billion over the next 10 years because Medicare will be paying less for the prescription drugs they're making available to seniors.

The Inflation Reduction Act is already making a huge difference. Take insulin, as referenced by Steven. It costs—that drug costs \$10 to make. The guy who invented the drug, who came up with it, didn't patent it because he wanted it available for everybody. But drug companies are charging 30 times that \$10 or more than that.

Now, because of the Inflation Reduction Act, seniors on Medicare, like Steve, are paying \$35 a month instead of \$400 a month. And it matters.

Three months after the Inflation Reduction Act went into effect, all three of the major insulin manufacturers lowered their prices for insulin for everyone—for everyone. Not just seniors—everyone. That's originally what I had proposed: everyone. We lost on getting everyone, but we kept seniors. When we act, change happens.

You know, and today I'm proud to announce that Medicare has selected the first 10 additional drugs for negotiation under the Inflation Reduction Act—10 additional. Drugs that treat everything from heart failure, blood clots, diabetes, kidney disease, arthritis, blood cancers, Crohn's disease, and so much more.

Medicare spends \$50 billion a year on these 10 drugs. And American seniors are spending \$3.4 billion on out-of-pocket costs.

Look, if your company—if you compare the total globe—drug price globally, the United States is clearly an outlier. For example, one of the selected drugs that treats blood clots costs about \$80 for a monthly prescription in Canada. The same exact drug in the United States made by the same exact company costs over \$270 a month—made by the same company here in the United—sold in the United States of America—triple the cost, just crossing the border.

Think about that. Big Pharma—Big Pharma—has been charging Americans more than three times what they charge other countries simply because they could. I think it's outrageous.

That's why these negotiations matter. Reducing the cost of these 10 additional drugs alone will help more than 9 million Americans. And by September 2024, HHS—Health and Human Services—is going to publish the prices it negotiated. In January of 2026, the new prices will go into effect.

But we're not stopping there. Next year, Medicare will select more drugs for negotiation so more Americans can get more savings on lifesaving medications they need and deserve.

But guess what? Big Pharma doesn't want us—this to happen, as you might expect. Last year, the industry spent \$400 million in lobbying fees to try to stop the Inflation Reduction Act and block the ability of the Federal Government to lower drug prices. And when they failed, they went to Federal court to sue the Government in an attempt to maintain their exorbitant prices. They're hoping the courts will do what Democrats in Congress wouldn't do: protect the exorbitant profits and keep negotiations from happening.

But we're going to see this through. We're going to keep standing up to Big Pharma, and we're not going to back down. [*Applause*] Period.

And, folks, there's a lot of really great Republicans out there. And I mean that sincerely. But we'll stand up to the MAGA Republicans who voted against the Inflation Reduction Act and now are attempting to still repeal it. And the name—and the MAGA Republicans who have been trying for years to get rid of the Affordable Care Act, deny tens of millions of Americans access to quality, affordable health care.

Today is the start of a new deal for patients where Big Pharma doesn't just have—get a blank check at your expense and the expense of the American people. On my watch, health care should be a right not a privilege in this country.

And there are ways—there are other ways the Inflation Reduction Act is lowering health care costs as well. As mentioned, beginning in 2025, the Inflation Reduction Act caps total—total—out-of-pocket drug costs for seniors on Medicare at \$2,000 a year total, even if their expenses—[*applause*]—even for expensive cancer drugs that could cost \$10-, \$12-, \$14,000 a year—max, cumulative \$2,000.

The law already is requiring that drug companies that raise prices faster than inflation have to pay the difference to the Government between the—what they charge and the rate of inflation. This quarter, seniors are paying up to \$449 less per dose for drugs that hike their prices faster than inflation.

In addition to the law, my administration is cracking down on junk health insurance plans that look like they're inexpensive, but too often stick consumers with big hidden fees. No one likes to be taken advantage of.

We're also cracking down on surprise medical bills. You've all heard of the stories of people who choose a hospital that's in their insurance network, then get a surprise bill of thousands of dollars because the hospital assigned an anesthesiologist, for example, who wasn't in their network.

Well, not anymore. Preventing 1 million in surprise medical bills every single month if we—when we have changed this law.

Lowering prescription drug costs is part of a much broader vision for the country: growing the economy from the middle out and the bottom up, not from the top down. Because when the middle class does well, everyone does well.

I'm a capitalist. If you make a billion dollars, fine. Just pay little bit of them in taxes. Everyone does well when we do it this way.

The Financial Times and the Wall Street Journal—I don't think they meant it as a compliment originally, but they started referring to my economic policies as "Bidenomics." [Laughter] Well, guess what? It's working.

Since we were sworn in in January 2021, the economy has created more than 13 million new jobs since I took office on that day. We've created more jobs in 2 years than any President has in a single 4-year term.

Unemployment—unemployment—has been below 4 percent—4 percent for the longest stretch in 50 years. And now we have more jobs than we did before the pandemic.

Workers aren't just finding more jobs. They're finding better jobs, higher paid jobs, and job satisfaction. The rate of Americans—the rate of Americans without health insurance is at an alltime low. Premiums for coverage for millions of Americans under the Affordable Care Act are \$800 lower per person than before I took office.

And while we have more to do, inflation is down by two-thirds. Inflation is now down close to 3 percent, the lowest among the world's leading economies, with wages growing faster than inflation. This matters to ordinary people.

The way I think about inflation is the way my dad talked about it around the kitchen table. He'd say, "The real issue is how much do you have after you pay all your monthly bills?" What's left? What's left? How much do you have left over to pay for the necessities? Will there be enough room at the end of the month just to have a little bit of breathing room—just a little bit of breathing room?

Well, the Inflation Reduction Act is giving more—it's giving more breathing room, especially when it comes to health care costs.

The way I look at it, Bidenomics is just another way of saying restoring the American Dream. I believe every American willing to work hard should be able to get a job no matter where they live, raise their kids on a good paycheck, take care of their health care for their families.

My dad used to have another expression, for real, and the kids I grew up—the guys I grew up with remember it. He'd say: "Joey, a job is about a lot more than a paycheck. It's about your dignity. It's about respect. It's about being able to look your kid in the eye and say, 'Honey, it's going to be okay,' and mean it." That's part of the American Dream.

Let me conclude with this. I'm proud of the historic laws my administration has passed. They're the right steps not only to get our economy moving again, but to build a future better than the past. I'm not trying to return to the past; I'm trying to better the future than we had.

And it's not about me. It's about you, the American people. We were faced with pretty tough times in recent years, but the American people didn't give up. They never give up. You're the ones getting up every single day, doing the work. You're the real heroes in this story.

We all hear from our friends on other side of the aisle about what's—they claim is wrong with America. They tell you we're failing—that America is failing. Well, they're wrong. America isn't failing. America is winning. As I've said a thousand times: There is no quit in America—none.

And I've said more than a thousand times: It's never been a good bet to bet against America. This is still a country that believes in honesty, decency, and integrity. And we're still a country that believes in hard work. We're still a country that believes that each and every one of us is created equal and deserves an equal chance. And we're still the beacon for the entire world.

Every day, ordinary people do extraordinary things. That's who we are.

So let me tell you: America's best days are ahead of us. They're ahead of us; they're not in the past. They're ahead of us. And this is all about the future. This is about each of us writing the next chapter in American history.

That's why I've never been—I mean this, and I've been saying this for a long time—I've never been more optimistic about America's future. We just have to remember who we are. We're the United States of America. There is nothing—nothing—beyond our capacity when we work together. Nothing.

I'm not joking. Think about it. No goal we've ever set have we failed to meet when we've worked together.

So God bless you all, and may God protect our troops.

Better days are coming.

Thank you.

NOTE: The President spoke at 2:24 p.m. in the East Room at the White House. In his remarks, he referred to Administrator of the National Aeronautics and Space Administration C. William Nelson, in his former capacity as a Senator; North Carolina resident and Medicare beneficiary Steven Hadfield, who introduced the President; and Vice President Kamala D. Harris, who introduced Mr. Hadfield. He also referred to his brothers James B. and Francis W. Biden and sister Valerie Biden Owens. The transcript released was by the Office of the Press Secretary on August 30.

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