

Administration of Joseph R. Biden, Jr., 2023

Remarks on Efforts To Reduce Prescription Drug and Health Care Costs and an Exchange With Reporters in Bethesda, Maryland

December 14, 2023

The President. Well, thank you, David. And this has been a fight that I just started the other day when I was a 37-year-old Senator. [*Laughter*] This has been an ongoing fight not just on my part, but on the part of an awful lot of people.

David, thanks for sharing how we're making progress in lowering costs and—for lifesaving medicines.

You know, we're here at a pharmacy today at the National Institute of Health to talk about my administration's work to crack down on price gouging, to lower prescription drug costs, to put money back in the pockets of hard-working families, and to reduce Government spending on prescription drugs at the same time.

Usually, when you talk about Government doing something that's going to affect spending, you think it's going to be—we're going to help people and going to cost taxpayers more. But this lowers taxes as well as lowers costs for individuals.

Too many folks lay awake at night—and I know from experience—watching that—staring at the ceiling worrying what will happen if their spouse gets cancer or if their child gets sick or if something happens to one of them.

Do they have enough insurance? Can they afford the medical bills? Will they have to sell the house? Will they—I get up, and—you know, it's easy to understand it. And we all know somebody who's been through that experience.

This isn't just about health care. It's about your dignity. It's about security.

You know, I think some of the press was with me when I was in Northern Virginia and that very distinguished-looking woman stood up. And she looked like she was in her early forties, maybe a little older. And she said she had a problem, and the problem was she couldn't afford the insulin for her children who had diabetes—she had two of them—talking about having to cut it in half. So—and because the cost was as much as \$800 a month for them, and their insurance couldn't cover it.

Think of all the people—all the people in this country that are going through something like that. It's about giving folks just a little more breathing room. That's what this is about.

For too long, Americans have paid more for prescription drugs than any advanced nation on Earth. You can have the exact same drug made by the exact same company in the United States, and you buy it in America for one price. You go to Toronto, Paris, Berlin, or any other major capital in the world, in fact, you'll find they're paying two to three times less than the American is paying at an American drugstore.

Folks, it's wrong.

The results? Seniors are skipping doses, cutting pills in half, foregoing prescriptions entirely because they simply can't afford their prescription drugs.

But not anymore. We finally, after all these years, beat Big Pharma when I signed the Inflation Reduction Act to get seniors and taxpayers a better deal.

For years, there's been no check on how high or how fast Big Pharma can raise drug prices. In the years before we passed this legislation, drugmakers jacked up prices nearly four times faster than inflation went up. And they were already too high.

Let's call this for what it is: It's simply—it's a rip-off. They're ripping off Medicare. They're ripping off the American people. And they're—we're going—but we're now back—fighting back.

As part of our law, which passed last year, drug companies can raise prices more than—if they raise prices more than inflation, they'll have to pay back the difference between inflation, as it's gone up, and the price they charge. And that means consumers will pay less as well.

They're going to save taxpayers money and discourage companies from raising prices in the first place.

Here's how it's going to work. On its face, it seems complicated, but it's really not that complicated.

Every quarter, Medicare publishes a list of drugs administered by doctors whose prices have been hiked too much, too fast. Today, Medicare is announcing its latest list: 48 prescription drug prices have raised—were raised faster than the rate of inflation was raised in the same period. These drugs are used by 750,000 Americans.

If a medication you take is on the list, our program is going to keep your cost down. For example, many seniors taking the drug Signifor, a growth hormone disorders—for growth hormone disorders, will save over \$300 per month.

In the last year, 64 different drugs have been listed for these rebates. Some seniors have saved more than \$600 a—per dose.

And that's not all. We're not only working to slow price hikes, we're also working to bring down drug prices, period—just bring them down.

For starters, my legislation finally gives Medicare the power to negotiate to lower drug prices like the Department of Veterans Affairs has been able to do for a long time.

Now Medicare is able to do that. We're fighting for—we've been fighting for decades—and I literally mean decades—to give Medicare that right.

With this law, we finally beat Big Pharma, and we got it done, I must admit, with no help from the other team at all. Not one single Republican voted for it.

In August, the first 10 drugs were selected for negotiation—drugs that treat things like arthritis, cancer, heart failure, and so much more.

In all, this law is going to save the Federal Government \$160 billion over the next 10 years. Did you hear me? Because Medicare is going to pay less, it's going to save the Federal Government and taxpayers \$160 billion over the next 10 years. And that money will go toward reducing the deficit and enriching—and not enriching Big Pharma.

It also reduces the cost of insulin for seniors from as much as \$400 per month to just 40—or, excuse me, \$35 per month. It makes important vaccines for seniors, like shingles, free, saving them \$200 per shot.

And it's going to cap the total out-of-pocket drug costs for seniors on Medicare now—next year, in '24, it's going to be capped at—no matter what your costs are, they're going to be capped at \$3,500. But in 2025, it's going to go down to \$2,000 per year no matter how expensive your drugs are. And drugs, as you heard from our—my introducer, can be up to 10-, 12-, 14,000 dollars a year for cancer drugs.

David just said that—that his cancer drug costs \$16,000 a year. Thanks to this law, he's going to pay a hell of a lot less. It's a real game changer.

This law is going to lower costs, it'll save lives for people who forgo drugs because they can't afford them, and it'll give folks a little more—just—my dad used to say, "just a little more breathing room." Just a little more breathing room.

That's what Bidenomics is all about.

Folks, negotiating—negotiation and competition are the engines of a market economy. In every other industry, people negotiate prices every time. But with Big Pharma, it's been using to get its own way—no negotiation, suppressing competition instead of innovation.

Drug companies say they need that extra revenue to develop cutting-edge drugs. Well, but studies show Big Pharma lately has spent more on stock buybacks, executive pay, and research than—than on research. Meanwhile, American taxpayers are footing the bill—more of the bill.

Through their tax dollars, Americans pay more for Federal drug research here at the National Institute of Health and other programs than folks in any other country in the world pay for it. And we're happy to spend the money for the research, because they do such good work. I believe it's a good thing if it leads to breakthroughs that save lives.

But drug companies benefit considerably from that research. They could not make their own drugs without the research done here.

Taxpayers already are chipping in, making—paying a lot of money for—here at NIH—to get these brilliant scientists to go out and find cures, find answers to the drug problem—to drugs—afford—with the use of drugs for health problems.

And then they turn around and they charge Americans more because they—than anyone else in the world, because they—the private companies—take advantage of what happens here at this institute. I think it's outrageous.

I'm pleased to announce that, from now on, the part of the Federal Government that prepares for and responds to public health emergencies will make the call—so-called fair pricing a standard part of its contract negotiations with drugmakers. That means American families will finally pay the same as people in other countries for many of the vaccines and treatments developed or funded through their own tax dollars in the first place.

It's a simple principle. You shouldn't pay the highest price in the world for drugs that your tax dollars have already helped create.

We're already begun to secure fair-pricing clauses in contracts for new COVID vaccines—three new COVID vaccines. And we recently proposed that when a drug company prices drugs so high that Americans can't afford them and those drugs were created by the American tax dollars, the Federal Government can step in and allow other companies to make and sell that same drug for less because they did it here.

This is all part of my administration's work to promote competition across our economy, to lower costs, to raise wages, and improve care.

Last week, we announced new steps to crack down on anticompetitive practices in health care. And we're going after what we call "junk fees," like junk health insurance plans that look affordable and then turn out to stick consumers with hidden costs they didn't know existed.

We cracked down on supposed—so-called surprise billing. For example, when a patient goes to a hospital for surgery, and it turns out the anesthesiologist—may be a wonderful man or

woman—is out of their network—their insurance network—they get a surprise bill for thousands of dollars because it's not covered.

They didn't know they were going to get that bill. They should be aware of it. We're protecting millions of Americans every month from these unexpected medical bills.

We're taking steps to ban the use of medical debt in credit reporting. Think about this now. How many people have medical bills? If I added up the costs of when I was in the hospital, it's literally several hundred thousand dollars. Imagine had I gotten that and I didn't have insurance and I ended up in debt because of that.

Well, the credit reporting is so families and their credit reporting—those bills cannot be held against you forever by denying you credit, so they're not counted in your credit statement.

Folks, here's the deal. Americans don't like being played for suckers. But Republicans are okay with that. They're fighting to keep these junk fees. They're trying to cut Medicare, Medicaid, and Social Security, and they're very straightforward about it.

And not a single, solitary Republican voted for any of the legislation which is responsible for so much of these drug savings. But I know some want to.

Now they want to repeal the law and let Big Pharma charge whatever it wants for prescription drugs again. They want to send us back to the bad old days.

In short, Republicans want to raise costs for seniors and working families and allow exorbitant profits for Big Pharma. I will not let that happen as long as I'm around.

I'm a capitalist. I'm a capitalist. You should be able to make profit and significant amounts of money. I have no problem with companies making reasonable profits, though. But not on the backs of seniors and working people.

For too many folks, the cost of even just one drug can mean the difference between life and death, hope and fear.

This is all about fairness. It's about dignity.

As I was saying to the—these folks behind me when we were—before we came in, you know, imagine being that parent who has two children who have diabetes, need insulin, and you can't afford it for both of them. Imagine. Imagine the—you get stripped of your dignity. You look at your kids, and you can't afford it.

So, we're going to keep fighting to lower prescription drug costs not just for seniors, but for everyone; to expand health care coverage; to keep building an economy from the middle out and the bottom up, where health care is a right, not a privilege, and patients come out before profits.

You know, I know we can do this. I really do. We just have to remember who in God's name we are. We're the United States of America. There is nothing beyond our capacity if we work together.

And in this area, we're not only working to cut the costs for people needing the drugs, we're cutting the costs for the average taxpayer so they don't have to pay as much to fund Medicare, because Medicare is paying less as well.

This is a doubleheader. You save the taxpayer at large money because Medicare is not paying as much, and you save individual patients' lives as well as money.

So, I want to thank you all for taking the time to be here. I want to thank my introducer. I know you're down to 35, but it's going to get down to 2,000 bucks a year, max——

Medicare recipient and Patients for Affordable Drugs Now President and Founder David Mitchell. Thank you, Mr. President.

The President. —max in 2035 [2025; White House correction]. So—

God bless you all, and may God protect our troops. Thank you very, very much.

Israeli Military Operations in Gaza/Hamas

Q. President Biden, do you want Israel to scale back its assault on Gaza in—by the end of the year? Do you want them to tone it down, move to a lower intensity phase?

The President. I want them to be focused on how to save civilian lives—not stop going after Hamas, but be more careful.

Thank you.

Q. Mr. President can you explain why—

Q. Is Israel committing—violating international humanitarian law, Mr. President?

NOTE: The President spoke at 3:26 p.m. at the National Institutes of Health. In his remarks, he referred to Midlothian, VA, resident Shannon Davis, and her sons Joshua and Jackson. The transcript was released by the Office of the Press Secretary on December 15.

Categories: Addresses and Remarks : Prescription drug and health care costs, efforts to reduce in Bethesda, MD; Interviews With the News Media : Exchanges with reporters, Bethesda, MD.

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