

Remarks on Efforts To Reduce Health Care Costs

April 3, 2024

The President. Kris, thank you, thank you, thank you. First of all, thank you for the courage you've shown over the years dealing with your health issues, but also for standing up here before the whole Nation and explaining to us what you've gone through. It's not easy to do.

You know, trying to afford your expensive medications, from blood disorders to asthma—millions of Americans—millions—have similar stories: lying in bed at night literally staring at the ceiling wondering what in God's name will happen if their spouse gets cancer or if their child gets sick or something happens to them. Are they going to have enough insurance? Can they afford the medical bills they're going to have? Will they have to sell the house to keep things moving?

You know, and you find out the big reason why we're lying awake at night with these questions is because the drug companies are charging exorbitant—exorbitant—prescription drug prices, higher prices than anywhere in the world.

When Bernie said it—I was listening in the back. Bernie, you and I have been fighting this for 25 years. Finally—finally we beat Big Pharma. Finally. I'm serious.

I'm proud—[*laughter*]*—I'm proud that my administration is taking on Big Pharma in the most significant ways ever. And I wouldn't have done it without Bernie. And Bernie got a—you know, look, Bernie was the one who was leading the way for decades in which we're—why we're here today.*

You know, Bernie mentioned that Americans pay more for prescription drugs than other advanced nation in the world. If you want to—if you walk into a local drugstore here in America, the prices are at least two to three times more for the exact same prescription made by the exact same pharmaceutical company in Canada, France, Italy, and even in Eastern Europe—all around the world. But not anymore.

For years, people have talked about how Medicare has the power to negotiate for lower drug price—prescription drug prices the Government pays for, just like the VA does when they're able to negotiate medicines and needs for the veterans.

But we've tried and tried and tried. And finally, with Bernie's help, I finally got my Inflation Reduction Act, which passed—and Bernie helped get it passed. Not one Republican in the entire Congress—this did surprise me, I have to admit to you—not one single Republican voted for it—not one single one—to give us authority to take on and beat Big Pharma.

Take insulin, for people with diabetes: It costs 10 bucks to make. If you add everything in terms of packaging and all the rest, you can argue maybe \$12 total. And they're charging as much as \$400 a month. Not anymore. Not anymore. Seniors with diabetes will only have to pay \$35 a month from this point on.

And by the way, when I first got the law passed, guess what? It applied to every American—every American. But the Republicans were able to cut back on the fact that only—they only were not able—the only thing they couldn't defeat was seniors. But I want to—I want those savings to be for every single person in America, no matter what their age. No one should pay more than 35 bucks a month for insulin, period.

And by the way, drug companies still make a significant product—I'm—excuse me, significant profit because I said: Ten bucks to make. By the way, the guy who invented the drug didn't want to patent it because he wanted it available to everybody. Well, it's available all right.

But look, folks, there's a whole lot of prescription drugs that are ongoing—undergoing the process of lower pricing. Medicare is now able to negotiate lower prices for some of the costliest drugs that treat everything from heart disease to arthritis. This year alone, the law that's already passed—it's in the law now that we signed—Medicare is negotiating 10 of the most costly drugs next year, and they'll do that every year beyond for the—it goes well beyond 50 drugs.

Next year, it will be 15. It isn't just saving seniors money. Along with other reforms, it's taxpayer money; we're cutting the Federal deficit. And people say, "Well, it's costing money." Guess what? It's costing the drug companies money.

It cuts the deficit by \$160 billion—\$160 billion. *[Applause]* No, I'm serious. Think about it. Over the next 10 years—because Medicare will no longer have to be—pay those exorbitant prices. Instead of paying 400 bucks, they're paying 35 bucks.

But I think we should be more aggressive. It's time to negotiate lower prices for at least 50 drugs a year. We only have it—the law only requires 10 now, and then 15, and it moves up.

Along with other actions, we're not only saving lives, but if we move that number up, we'll save taxpayers another \$200 billion on top of the \$160 billion, because Medicare will not be paying these exorbitant costs.

It is a gigantic—and by the way, the other guy talks about cutting the deficit. He increased the deficit more than any President has in history. And we've cut it.

Look, in addition to the law we passed that will cap prescription drug costs for seniors on Medicare starting in 2025—it's already the law—doesn't require anything else—because when I say these things, they say, "You think you can get it done?" It's already the law.

Every—your drugs will not cost you—if you're a senior on Medicare—will not have to pay more than \$2,000 a year, no matter what the drug costs. And as you know—many of you unfortunately know or your parents—some of the cancer drugs cost \$10-, \$12-, \$15,000 a year. Combined—combined—they will not have to pay a penny beyond \$2,000 a year. And the drug companies will still make a lot of money.

Folks, Bernie and I want to cap prescription drug costs at \$2,000 a year for every American, not just seniors. We're here today to talk about how we're lowering prices and cracking down on unfair competition in prescription drugs.

I'm a capitalist. Capitalism, though, without competition isn't capitalism; it's exploitation. That's what's going on: exploitation. When Big Pharma doesn't play by the rules, competitors can't offer lower prices for generic drugs and devices that carry that medication, so prices are raised artificially. I thank Bernie for leading the charge to do something about this.

For example, asthma is one of the most common respiratory illnesses in America. Twenty-seven million Americans have asthma, including 4 million children. Asthma causes about 1 million visits to a hospital emergency rooms every year. Nationwide, the cost of treating asthma is estimated to be \$50 billion a year—the treating the asthma—not the drug, treating the asthma.

If you have asthma, you will likely need an inhaler to breathe. Now this spring is here, the season and allergies are on—upon us. We're on the rise even more. More people with asthma need inhalers to breathe.

You know, many asthma medications—may have—be on the market for more than 25 years. They cost less than \$5 to make. They cost less than \$5 to make, but the medication hasn't changed at all.

Theoretically, if the drug company came with a new medicine that would—they invested in a lot of money to find a better way, they didn't—they wouldn't have to—they could argue that—another price. But drug companies have increased prices for asthma drugs up to eight times more than the original cost. And the mechanism is—and the mechanisms attached to the inhaler, the thing that makes it, you know, go into your nose or mouth, that is a device that Medicare hasn't changed much either.

Look, these big companies try to keep generic companies away from getting patents on devices that deliver the medication through the inhalers. So there's two pieces. It's not just the—what's in the inhaler. It's the mechanism that allows it to go into your body.

For example, they slightly change the cap of an inhaler, and they use the new patent on that cap to block generic drug companies from being able to enter the market. It's a big deal. Playing these games with patients and pricing, Big Pharma is able to charge Americans significantly higher prices and pad their profits.

Senator Sanders has pointed out one company sells an inhaler for 49 bucks in the United Kingdom. You know how much they charge in the United States for that one inhaler? Six hundred and forty-five dollars. So I take—\$645.

If you need that inhaler and you get on Air Force One with me, the next time we go to London, you can get off and you can get it for—*[laughter]*. No, I'm serious. Think about that, though. Just think about that. For the same exact medicine and the same exact device. It's outrageous.

Another company sells an inhaler for \$9 in Germany—\$9 in Germany—and we pay \$286 here in the United States. Nine bucks in Germany—same outfit, same company, same device—and so it's 30 times more. Thirty times more. I repeat: It's outrageous. And we're doing something about it, finally. Why in God's name should an American pay \$645 for the same inhaler sold in the United Kingdom for \$49 by the same outfit—the same outfit?

Bernie called out the drug companies during the congressional hearings. And you just heard from Lina Khan, the Federal—the Chair of the Federal Trade Commission, who is working with the Food and Drug Administration to crack down on these drug companies, and it's a big deal.

As a result of all this action, some drug companies have withdrawn their abusive patent listings for inhalers and other common products like EpiPens.

You know, the last few weeks, some of the big drug companies have gotten the message to reduce the prices for some asthma drugs. Bernie is a big reason why that's happened. In fact, three of the four largest companies are capping the cost of inhalers for many patients—that can be up to \$600 out of pocket—at \$35. There's some progress going on beyond what we've done—the law. But it's about time.

And going forward, with more competition and more generic drugs in the market, the price could be even less than it is now and coming down.

But that's not all. Because of all of you, my Inflation Reduction Act—drug companies that raise prices more than inflation are going to pay back Medicare the difference between what they charged and the inflation rate. This is based on the price of their drugs in 2021.

That means consumers will pay less for prescription drugs, and they'll save taxpayers money and discourage companies from hiking prices faster than inflation in the first place. But we want

to do more. It's time that drug companies pay rebates when they increase prices faster than inflation, not just for seniors, but for every single American—every single American.

And today's announcement follows actions we've already taken to significantly reduce the health care costs for average Americans. We took action to reduce the cost of hearing aids for millions of Americans by as much as \$3,000 for a pair of hearing aids.

In addition, my administration is banning junk fees on health insurance plans. These are the plans that stick consumers with big, unexpected charges instead of covering the care they need.

Look, they ended up with fair surprise—I ended up—surprise medical bills so hospitals that are in-network can't send you a bill for an out-of-network doctor that you didn't choose or you would—haven't even been consulted. I was in the hospital for a while years ago, and that happened.

Kamala and I are protecting and expanding the Affordable Health Care Act, known as Obamacare, which, I might add, is still a big deal. Today—thank God my mother wasn't here—*[laughter]*—today, 21 million Americans are covered through the Affordable Care Act, 9 million more than when I took office.

I exact tax credits—we enacted tax credits to save an average of \$800 per person per year, reducing health care premiums for millions of working families whose coverage—who have coverage under the Affordable Care Act.

These tax credits, though, expire. You can only get it for—through this year. And I'm calling on Congress to make tax credits permanent—permanent—for this process.

And, folks, all of our progress is in stark contrast to my predecessor and MAGA Republicans in the Congress. They want to, quote—I love their word they love—they want to "terminate" the Affordable Care Act—I love it, "terminate"—my—as my predecessor says, kicking millions of Americans off their health insurance.

And by the way, the vast majority of these people would not be able to get insurance because they have a preexisting condition.

They also want to eliminate the Inflation Reduction Act, eliminate the savings to lower prescription drug prices, and so much more.

During the last administration, my President—my predecessor exploded the national debt more than any previous President in the history in a 4-year term—more than any previous—he talks about the debt. He exploded it more than any other President in a 4-year term with his \$2 trillion tax cut that overwhelmingly—overwhelmingly—benefited the very wealthy and the biggest corporations in America.

Now he and his Republicans in Congress want to cut Social Security—raise the age—and cut Medicare while they cut taxes for the very wealthy again. You know, I've got a better idea. I'm going to protect Social Security and Medicare, along with Bernie and other Members of Congress, to make sure the wealthy begin to pay their fair share to keep these programs solvent. It's not hard.

And let me repeat what I said that even some people, like Bernie, didn't like at the beginning—and I don't blame them—but I said on day one, to make a point: No one in America will pay a single penny more in Federal taxes if they make under—less than—if they make less than \$400,000 a year.

I wish I was able to do that. I was listed—and Bernie will—used to kid me about it—I was listed as the poorest man in Congress for 36 years. I didn't think I was poor. I got a good salary. But I was the poorest man in Congress.

Trump brags about, he is the reason *Roe v. Wade* was overturned. And here's his quote: "I did something no one thought possible. I got rid of *Roe v. Wade*." End of quote. And now he and his MAGA officials are calling on a—for a national ban on the right to choose in every State.

I promise you: With a Democratic Congress, Kamala and I will make *Roe v. Wade* the law of the land again. I promise you.

I'm talking too long here. Let me close with this. [Laughter] But I'm excited about this. I'm really proud of what we've been able to do. I really am.

Bernie and I have been doing this work for a long time. I know we don't look it, but we've been doing it a long time. [Laughter] Bernie and I have something else in common: We both married way above our stations.

But any rate—[laughter]—but we know we've made historic progress in the last 3 years: 35 bucks for insulin for seniors, \$35 for inhalers for asthma, \$2,000 a year total cap on costs for seniors. We're lowering the cost of some of the most expensive prescription drugs for seniors. And what I want to do next—what we want to do next is these caps on costs for everyone—everyone, not just seniors.

With Bernie's help, we're showing how health care ought to be a right and not a privilege in America. And that's why I've never been more optimistic about—I really mean it. You've heard me say in this very room how optimistic I am. I am optimistic because the laws we got passed are now coming into effect, whether it's the infrastructure or whether it's this. I mean, there's so much more.

I just have—we have to—and I said this many times and I'll get out of your hair. You know, we have to remember who we are. We're the United States of America.

I mean—these things from the bottom of my heart. We're the United—there is nothing beyond our capacity when we do it together. We're the only Nation—as a student of history—that I can find that's come out of every crisis we've entered stronger than we went in every single time. So let's remember who the hell—we're the United States of America.

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

Q. [Inaudible] Will you be holding Israel responsible for the World Central Kitchen strike?

NOTE: The President spoke at 12 p.m. in the Indian Treaty Room of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Littleton, CO, resident Kristopher F. Garcia; former President Donald J. Trump; and Vice President Kamala D. Harris.

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