

<u>Lowering Drug Prices by Once Again Putting</u> <u>Americans First</u>

Executive Order #14273

Date Issued: April 15, 2025

Topic: Health

WHAT DOES THIS EXECUTIVE ORDER DO?

- This executive order directs the Secretary of Health and Human Services (HHS) to evaluate several Medicare and Food and Drug Administration (FDA) processes in order to lower drug prices for American consumers.
- The order continues the Medicare Drug Price Negotiation Program
 established by the Biden-Harris Administration in the <u>Inflation Reduction</u>
 <u>Act</u> and expands the offerings to include GLP-1s like Ozempic.
- The order also seeks to align when prescription pills and biologics or infusions are eliqible for a price reduction under Medicare.



HOW WILL THIS EXECUTIVE ORDER BE ENFORCED?

- This executive order will primarily be enforced by the Secretary of HHS. The Secretary is tasked with conducting a survey on the cost of outpatient medications in hospital settings within six months of the order's publication and aligning the portions of Medicare that cover prescription drugs with those standards. In addition, the Secretary will hold listening sessions with representatives from the Department of Justice, the Department of Commerce, and the Federal Trade Commission and recommend policies to address "anti-competitive behavior from pharmaceutical manufacturers."
- The order directs the Secretary, along with the Director of the Office of Management and Budget, and the Assistants to the President for Economic and Domestic Policy, to make recommendations to improve the overall supply chain for pharmaceuticals and hold manufacturers accountable for paying Medicare rebates no later than three months after the order was issued.
- The order also instructs the Secretary of HHS to remedy a loophole which allows Medicare beneficiaries to have higher co-pays for care at hospitalowned clinics than other healthcare settings.
- The order instructs the FDA to streamline the process for states to apply to import lower-cost drugs from Canada and other countries.
- The order gives the Secretary of HHS 90 days to adjust federal grant requirements to mandate that community health centers provide free or low-cost insulin and epinephrine to uninsured or low-income patients.
- The order instructs the Secretary of HHS to recommend ways to streamline the approval of generic drugs and biosimilars, which are sold at reduced prices, as well as the process through which they can be safely sold over the counter at lower rates.

HOW DOES THIS IMPACT BLACK COMMUNITIES?

- By extending the Medicare Drug Price Negotiation Program, this executive order will continue to reduce prescription costs for the <u>5.8 million</u> Black Medicare beneficiaries. Black Americans are disproportionately impacted by chronic diseases and have higher incidence and fatality rates of <u>diabetes</u> and <u>cardiovascular disease</u> than white Americans. Nearly twothirds of Americans with hypertension and diabetes report <u>cost-related nonadherence</u>, meaning they skipped or reduced medical dosages due to issues of affordability. This order will lower the cost of several popular chronic disease treatments for seniors, which could help address the disparities in <u>life expectancy</u> for Black and white Americans.
- However, some provisions in this order conflict with other White House policies or could exacerbate challenges for the healthcare system. In March 2025, President Trump proposed tariffs that would increase the cost of importing goods from Canada. The imposition of Canadian tariffs complicates enforcement of the order's provision that aims to make it easier for states to import drugs from abroad. The added tariffs are likely to drive up costs, undermining the order's intended benefits.
- The order also instructs community health clinics to provide insulin and epinephrine at more affordable rates but does not stipulate the disbursement of funds to subsidize the specific difference in cost. When President Trump attempted to implement a similar policy in 2020, it created an additional burden for the clinics. With the recent budget cuts to the Centers for Disease Control and Prevention and other health agencies, community health clinics have fewer grant opportunities to supplement their budgets. As a result, clinics could be forced to shut down, reducing overall access to care. Because Black Americans have higher uninsured rates than white Americans, and are less likely to live in proximity to primary care physicians, community health centers are crucial sites of care for Black communities. If this order jeopardizes their funding, Black communities will be left without an important avenue for care.

HOW ARE CBC MEMBERS RESPONDING?

- Members of the Congressional Black Caucus (CBC) are among the strongest advocates of affordable drug pricing.
 - In April 2025, Rep. Steven Horsford introduced two bills to lower prescription drug prices. In his remarks, he outlined the importance of the government stepping into to ensure that every American can access the prescriptions they need: "No family should have to choose between putting food on the table and affording lifesaving medication. These bills take a critical step toward making prescription drugs more affordable and accessible for all. They build on the progress we've made to lower costs and ensure that no Nevadan must sacrifice their health to make ends meet." Full Statement
 - After the Trump Administration announced sweeping tariffs, Sen. Raphael Warnock co-wrote a letter to President Trump voicing his concerns about their impact on prescription drug prices: "We are concerned that the tariffs you have proposed on our trade partners will impact prescription drugs, driving up prices for Americans, exacerbating supply chain issues, and hurting domestic pharmaceutical manufacturers. Steep tariffs on our closest trade partners only further increase the cost of prescription drugs for both consumers and manufacturers and will lead to drug shortages. [...] Americans cannot afford to continue emptying their pockets just to refill their prescriptions at the pharmacy." Full Statement