

How to stop drug price gouging

ONE OF DONALD Trump's few universally welcomed campaign promises was to do something about the prices of pharmaceutical drugs.

Most Americans recognize that prices are too high, and are bothered by the rise of pharmaceutical price gouging: the giant price increase for decades-old drugs and devices by the likes of Martin Shkreli with Daraprim or Mylan with the EpiPen. But what few people realize is that the president already has the power to do something about drug prices if he really wants to. If Mr. Trump wishes to show he is serious about his populist promise, the place to start is by declaring war on the price gougers.

The key power is found in the "import relief" law—an important yet unused provision of the Medicare Modernization Act of 2003 that empowers the Food and Drug Administration to allow drug imports whenever they are deemed safe and capable of saving Americans money. The savings in the price-gouging cases would be significant. Daraprim, the anti-parasitic drug whose price was raised by Mr. Shkreli to nearly \$750 per pill, sells for a little more than \$2 overseas. The cancer drug Cosmegen is priced at \$1,400 or more per injection here, as opposed to about \$20 to \$30 overseas.

The remedy is simple: The government can create a means for pharmacies to get supplies from trusted nations overseas at much lower prices. Doing this would not only save Americans a lot of money but also deflate the incentive to engage in abusive pricing in the first place.

Why hasn't the law been used? Over the years, the industry has tried to describe the statute as a nuclear option, repeatedly warning of the catastrophic danger of relying on the drugs used by those reckless Canadians. More legalistically, the industry has insisted that the Dept. of Health and Human Services (which oversees the FDA) cannot reliably certify that imports would "pose no additional risks to public health and safety" as the statute requires. But Health and Human Services is an executive agency, bound to obey the president, and the needed cost and safety determinations are well within its capacity.

The safety fears, if not purely imaginary, are wildly exaggerated. Twenty-five percent or more of drugs labeled American-made are actually manufactured in other countries, in plants inspected by the FDA (So are 80 percent of the active ingredients used in the production of drugs in American factories.) The "imports" that the industry refers to are the same pills as those "American-made" drugs, produced by the same FDA inspected plants overseas. The only difference is that some of those drugs are shipped to countries like Canada, while others are sent directly to the United States, where they are sold for 10 or sometimes hundreds of times the Canadian price.

The FDA, in other words, is already regulating imported drugs. It might as well use those powers to fight price gouging. Indeed, over the past six years the FDA has been allowing imports of drugs

to deal with a 2011 executive order. For example, when facing shortages of the cancer drug Doxil, the FDA authorized imports of a substitute, Lipodox, manufactured at an FDA-inspected plant in India. Lives have been saved, not lost, and the practice confirms that this country already knows how to ensure that importing drugs from trusted nations can be safe. The industry's "safety" warnings are more politics than reality.

President Trump can do serious damage to the pharmaceutical price gougers if he wants to, and will be cheered on by everyone who is not on the payroll of the pharmaceutical industry, and even some of them as well. A suitably aggressive beginning would be to select the 10 most outrageous instances of excessive pricing (I would define that as an unjustified price increase of more than 1,000 percent for a drug that is no longer protected by a patent). Go after the worst offenders first: the owners of drugs like Daraprim, Cosmegen, Thiola, Mustargen and Indocin, all of which have had price increases of 1,000 percent to 5,000 percent. Let companies like Ovation, Turing, Valeant, Mylar and other abusers of the system become a warning to others who might want to make price-gouging their business model.

Obviously, waging war on pharmaceutical pricing abuses would not represent a full solution to the broader problems in drug pricing. Congressional proposals, including a new Senate bill introduced by Bernie Sanders, independent of Vermont, Amy Klobuchar and Al Franken,

Democrats of Minnesota, and others, would go further. But it would be the beginning of imposing discipline on an industry accustomed to its absence and a signal that this administration is serious about using the powers it has to make drugs affordable.

President Trump ran as an economic populist who would take on industry on behalf of the people. Here, the people clearly want something done. All it really takes is a chief executive who has the courage that he claims.

(Courtesy The New York Times, OP-ED, April 20, 2017), Tim Wu, the author of "The Attention Merchants: The Epic Struggle to Get Inside Our Heads," is a professor at Columbia Law School and a contributing opinion writer.

MEDICARE PART B ALERT

Eligible members should receive their Medicare Part B reimbursement in June 2017. If you are currently receiving your pension check through Electronic Fund Transfer (EFT) or direct deposit, your reimbursement will be deposited directly into your bank account. This will be separate from your pension payment. If you do not have EFT or direct deposit, you should receive a check the 3rd or 4th week in June.

(Courtesy of NYC Office of Labor Relations Health Benefits Program, www.nyc.gov/hbp)

Coalition of Black Trade Unionists meets in New Orleans

BY LESLY WILLIAMS, EXECUTIVE BOARD MEMBER, ASSOCIATE VP

INSPIRATIONAL—the one word that, I concluded, summarized the convention. The theme, titled "Organizing for Change—Building our Future" centered around issues that are critical in our daily lives, namely: health care, education, criminal justice, employment, fair wages. In light of the current political climate, progress that had been made over decades could be reversed, and the impact on our lives would potentially be devastating. Efforts are underway to thoroughly dismantle the health care, criminal justice, educational systems and promote policies that otherwise would greatly

benefit large corporations. Throughout the conference, it was stressed that we as workers, retirees, labor leaders have a significant role to play to organize, agitate to ensure that our voices are heard, and help prevent these catastrophic consequences.

At the retiree's conference, the speaker who herself is a retiree, launched a call to action, urging retirees to become more active and mentor others. It was also noted that organizations, such as faith based, community groups, among many, are critical and should be encouraged to join labor and work toward the goals of protecting and enhancing our hard-earned gains. From the initial session to the worship service, the message was consistent



Associate Vice President Lesly Williams, second from left, with association members at the CBTU conference in New Orleans May 24-29.

that each attendee had a mission to fully engage in working for a stronger labor movement and a greater voice in our electoral system.

The conference also covered labor related matters, as well as health, social, educational and political issues

and was comprehensive. The speakers were very informative. The enthusiasm over these

days was palpable and the attendees were engaged.

I left the conference inspired to support and promote the theme of organizing for change and helping build a better future for all!