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## White House Releases Executive Orders Aimed at Addressing High Drug Prices

President Trump today signed three executive orders aimed at lowering the price of prescription drugs. The first executive order seeks to pass federally-qualified health center (FQHC) insulin and EpiPen discounts directly to their patients. The second executive order directs the Secretary of Health and Human Services (HHS) to take action on the importation and re-importation of prescription drugs from foreign countries. The third executive order calls for the drug manufacturer rebates and discounts traditionally negotiated by and given to pharmacy benefit managers (PBMs) to be passed directly to patients when purchasing their medication.

### HIGHLIGHTS OF THE EXECUTIVE ORDERS

**Access to Affordable Life-Saving Medications.** This [executive order](#) directs the Secretary of HHS to require FQHCs that participate in the 340B Drug Pricing Program to provide all insulin and injectable epinephrine products purchased under the 340B program to their low-income patients at the same price at which the drug was acquired. The order conditions future federal grants to FQHCs on the provision of these drugs to low-income patients at the discounted price that the drugs were purchased under the 340B program. The order defines low-income patients as any patient that has a high cost-sharing requirement for either insulin or injectable epinephrine products, or has a high unmet deductible, or has no health insurance.

**Increasing Drug Importation to Lower Prices for American Patients.** This [executive order](#) directs the Secretary of HHS to take actions to allow for the importation and re-importation by states, wholesalers and pharmacies of Food and Drug Administration-approved drugs from Canada. Specifically, it calls for the Secretary of HHS to authorize the re-importation of United States made insulin products, and also orders the Secretary of HHS to complete the rulemaking process

### Key Takeaways

The executive orders would:

- Direct the HHS Secretary to require FQHCs to pass discounts they receive for insulin and EpiPens directly to their low-income patients.
- Require the HHS Secretary to take action to allow states, wholesalers and pharmacies to import FDA-approved drugs from foreign countries, including the re-importation of insulin and biological products.
- Order the HHS Secretary to recommence rulemaking proceedings requiring PBMs to pass drug manufacturer rebates and discounts directly to patients when they purchase medication.

to allow for the importation of certain drugs from Canada.

**Lowering Prices for Patients by Eliminating Kickbacks to Middlemen.** This [executive order](#) requires the Secretary of HHS to continue and complete the rulemaking previously commenced to remove rebates and discounts received by PBMs from drug manufacturers from safe harbor protection under the anti-kickback statute. In addition, the previously initiated rulemaking would establish a new safe harbor allowing PBMs to apply discounts to the patient at the point-of-sale. As part of this rulemaking, the Secretary of HHS is required to confirm that such action will not result in increases to federal spending, Medicare beneficiary premiums or patients' total out-of-pocket costs.

### **FURTHER QUESTIONS**

If you have further questions, please contact Mark Howell, AHA senior associate director of policy, at [mhowell@aha.org](mailto:mhowell@aha.org) or Bharath Krishnamurthy, AHA senior associate director of policy, at [bkrishnamurthy@aha.org](mailto:bkrishnamurthy@aha.org).