

Issue: Rx Drug Pricing Claims

## Fact-checking: GOP Prescription Drug Pricing Claims

On Monday, August 24, 2020, during his speech at the Republican Convention, Donald Trump claimed that he had reduced prescription drug prices by 60 to 70%. Even though there is no evidence to support that claim, his remarks are being repeated across the country.

### Unsubstantiated Claims

In his speech, Trump talked about two of the four executive orders that he signed on July 24, 2020, which were supposed to have achieved those remarkable price reductions. In reality, none have been implemented.<sup>1</sup>

- 1) “The  **favored nation executive order**  was supposed to match U.S. prices for a certain class of drugs with the lower amount paid in certain European countries that negotiate drug prices. It reportedly would have applied only to drugs covered by Medicare Part B—those that patients receive at their doctors’ offices, such as infused cancer drugs—but not those purchased at the pharmacy counter.” The text of the “mystery” order is not yet available.<sup>2, 3</sup>
- 2) “Another executive order attempted to address  **the rebates paid to pharmacy benefit managers within Medicare**  by directing that these payments instead be used as discounts for beneficiaries within the Part D program, the plans that pay for prescription medications.” These discounts usually go towards reducing premium costs. Therefore, unless the federal government steps in to subsidize premiums, it is likely that the cost of insurance would increase.<sup>4</sup> But a stipulation in the order says it won’t be implemented if it leads to an increase in premiums or increases federal government spending. Analyses from the Congressional Budget Office predicted that Trump’s rebate proposal would *increase* federal spending and *increase* seniors’ premiums. Therefore, it is unlikely that the executive order could be implemented and is essentially dead on arrival.

Given the heated topic of prescription drug pricing, which is unfortunately divided along party lines at the expense of real people, it is essential to call out false claims and be ready with the facts. For additional information, including practical steps that states have taken in this battle, see our LM report, “[Prescription Drug Pricing](#).”

---

<sup>1</sup> <https://khn.org/news/president-trump-once-again-claims-hes-bringing-down-drug-prices-but-details-of-how-are-skinpy>

<sup>2</sup> <https://www.npr.org/2020/08/07/899937565/all-bark-and-no-bite-trump-holds-prescription-drug-pricing-order-in-search-of-de>

<sup>3</sup> <https://insidehealthpolicy.com/daily-news/trump-again-says-white-house-meet-pharma-favored-nation-order>

<sup>4</sup> <https://www.factcheck.org/2020/07/trumps-executive-orders-on-prescription-drugs/>