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## Will Trump's Executive Order On Pharmaceutical Drug Pricing Reduce or Increase The Cost of Medication For Canadians?

Love him or hate him, Donald Trump is certainly a disruptor who is clearly taking on and reforming so many of the predatory 'norms' we have all come to accept as simply inevitable.

On Monday he did what every other US politician only talked about—he took a sledgehammer to Big Pharma. With the stroke of a pen, he signed an executive order that could slash drug prices in the United States of America by as much as 90%.

Obviously this is fantastic for the American public who will save a lot of money (especially given how many prescription drugs they are on!!), and, if not more significant, it will be a real body-blow to the obscene level of profit that these drug manufacturers have been making year-after-year off the American 'cash cow' that has been subsidizing the rest of the world.

*"Starting today, the United States will no longer subsidize the health care of foreign countries, which is what we were doing,"* Trump said. *"We were subsidizing others' health care;*

*countries where they paid a small fraction for the same drug that we pay many, many times more for."*

According to the Vigilant Fox, *"This wasn't just about reining in corporate greed. Trump laid it out clearly: this was a global scam, and America was the one footing the bill."*

But Trump also made it clear that he is not happy with the Big Pharma corporations, stating that, *"We will no longer tolerate profiteering and price gouging from Big Pharma. For the first time in many years, we'll slash the cost of prescription drugs and we will bring fairness to America."*

When asked how much cheaper he would like to see the price of patented drugs, based on the level of subsidization he said, *"between 59 and 80, and I guess even 90%."* For life-time drugs that could make a huge difference to the affordability for struggling families.

The famous Dr. Oz was in the Oval Office when President Trump signed this order and he



said, *“This is the most powerful executive order on pharmacy pricing and healthcare ever in the history of our nation.”* He went on to explain how Americans were stuck paying five to ten times more than Europeans for the exact same drugs. He said Trump’s plan will force other countries to start paying their fair share.

NIH Director, Jay Bhattacharya, (who was one of the original authors of the Great Barrington Declaration and has been a long time critique of the Covid mandates) explained the economics behind the scam. *“One thing that’s really, really simple in economics is that when you have a persistent price difference for the same product between two countries, there’s something deeply wrong.”*

Most commentators have pointed out how drugs prices in Europe are dramatically cheaper than in the USA and that as a result of this Executive Order and all the negotiations that will come of it, the European Union will see a significant increase in their drug retail prices.

However, it might be the same for us here in Canada where medication is reputed to be noticeably cheaper than in the United States, or at least that is the American perception. If this is true, this means that we have also been benefiting from this global subsidy, which will be abruptly withdrawn over the next 30 to 90 days.

Yet, according to business analysts, the cost of patented drugs in Canada are actually amongst the highest in the world.

A national poll conducted by Leger just over a year ago confirmed that nearly one-quarter of Canadians (22%) have reported splitting pills, skipping doses, or deciding not to fill or renew a prescription due to the cost. The polling also found that 1 in 10 Canadians (10%) with chronic conditions have ended up in the emergency room due to worsening health because they were unable to afford prescription medications.

*“Too many loved ones are carrying a heart-wrenching secret: they can’t afford to pay for critical prescriptions,”* says Doug Roth, Heart

& Stroke CEO. *“It may not be you today, but if you know four people, there’s a strong chance you know someone who is making risky tradeoffs because they don’t have prescription drug coverage. It’s time for the federal government to step up and change that with national pharmacare.”*

Yet, on all accounts, this issue of addressing the exorbitant cost of patented drugs in Canada is much more complicated than it initially appears, and successive governments have failed to control the rampant ‘drug inflation.’

In free-market, capitalist-based economic systems the principle is that prices are set by demand, quality and accessibility, all of which vary by region, economics and affordability. That is not how drug prices have been determined in Canada. Drug prices are set in Canada and many other countries, especially European countries, by the Patented Medicine Prices Review Board (PMPRB) who set retail prices to *“better reflect true international market drug prices.”* Obviously this little known fact smacks of cartel-style price fixing which is not driven by normal market forces that you would expect such as supply and demand.

This explains why the government has failed to control drug prices. The last serious effort to control drug prices was back in mid-2017 with the policy document called Protecting Canadians from Excessive Drug Prices which was a series of amendments to the Patent Medicine Regulations proposed by former health minister, Jane Philpott, who said at the time (eight years ago now!) that *“Canadians are paying too much for prescription drugs.”* Sadly that initiative died along with Philpott’s political career when she clashed with Trudeau and was banished from the Halls of Power.

Since Philpott’s era the government has invested \$140.3 million over five years to help reduce drug retail prices in Canada, including the modernization of the pricing framework under the PMPRB. If successfully implemented (and of course that is a very big ‘if’), these changes could

result in substantial price reductions for medications.

However, the pharmaceutical industry has been mobilizing to prevent these changes from taking effect, as this Canadian initiative alone could reduce Pharmaceutical industry revenues by as much as twenty six billion dollars over the next ten years. “Drug companies understand very well what’s at stake, and they’re massively mobilizing to make sure nothing happens,” said Marc-André Gagnon, a pharmaceutical policy researcher at Carleton University.

So, given all these dynamics, the question is whether the price of patented drugs in Canada will go up or down as a result of Trump’s bold move against Big Pharma and their army of political lobbyists.

At this early stage analysts are undecided with some claiming that the reduction in drug costs in the US is expected to lower drug prices in Canada. However, if drugs in Canada have been subsidized in any way by the over-charging of Americans, then we will have to pay for the shortfall.

As we consider the implications of this looming drug affordability crisis it is worth noting that many health commentators believe that North Americans (being both Canadians and Americans) are generally ‘over-dosed’ and on average consume significantly more prescription drugs than people in other countries (especially Third World and developing countries). We need to carefully consider if this level of drug consumption is really necessary.

If the retail prices go up significantly it might be worth seriously researching the drugs you take and their side effects and exploring perhaps generic or natural supplement options instead, along with other lifestyle changes that can help improve health naturally. For example, most cases of Type 2 Diabetes can be dramatically improved through a carefully managed diet and physical exercise.

Hopefully it will also force Health Canada to reconsider their war against natural health products which generally provide much more affordable options with fewer negative side-effects. Sadly, as Health Canada is influenced by Big Pharma lobbyists whose goal is to squeeze out competition, this option is unlikely. However, it is up to us as consumers to start taking greater control of our health and our own healthcare decisions, and what better time to start exploring these options when traditional pharmaceutical drugs are being priced out of reach.

As with all things to do with our health, it is all about perspective and allowing these changes and challenges to show us new options and opportunities. To get you started, check out our Book of the Week 'Forgotten Home Apothecary : 250 Powerful Remedies at Your Fingertips' below...

Sources for this article include:

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