

Internal Memo Confirms Big Giveaways In White House Deal With Big Pharma

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PhRMA DEAL

Commitment of up to \$80 billion, but not more than \$80 billion.
1. Agree to increase of Medicaid rebate from 15.1 - 23.1% (\$34 billion)
2. Agree to get FDBs done (but no agreement on details -- express disagreement on data exclusivity which both sides say does not affect the score of the legislation.) (\$9 billion)
3. Sell drugs to patients in the donut hole at 50% discount (\$25 billion)
This totals \$68 billion
4. Companies will be assessed a tax or fee that will score at \$12 billion.
There was no agreement as to how or on what this tax/fee will be based.
Total: \$80 billion

In exchange for these items, the White House agreed to:

1. Oppose importation
2. Oppose rebates in Medicare Part D
3. Oppose repeal of non-interference
4. Oppose opening Medicare Part B

A memo obtained by the Huffington Post confirms that the White House and the pharmaceutical lobby secretly agreed to precisely the sort of wide-ranging deal that both parties have been denying over the past week.

The memo, which according to a knowledgeable health care lobbyist was prepared by a person directly involved in the negotiations, lists exactly what the White House gave up, and what it got in return.

It says the White House agreed to oppose any congressional efforts to use the government's leverage to bargain for lower drug prices or import drugs from Canada -- and also agreed not to pursue Medicare rebates or shift some drugs from Medicare Part B to Medicare Part D, which would cost Big Pharma billions in reduced reimbursements.

In exchange, the Pharmaceutical Researchers and Manufacturers Association (PhRMA) agreed to cut \$80 billion in projected costs to taxpayers and senior citizens over ten years. Or, as the memo says: "Commitment of up to \$80 billion, but not more than \$80 billion."