

## I. Issue

This year, the Inflation Reduction Act's Medicare Drug Price Negotiation Program has begun and has started to address some of the discrepancies between prescription drug prices. However, price disparities like with Spiriva Respimat inhalers, one dose being \$120 in the US while only \$1 in Canada and other countries worldwide. Being used to help treat chronic obstructive pulmonary diseases (COPD) and asthma, some prescription drugs are still overpriced in the United States compared worldwide (1). This national issue affects healthcare affordability across the United States, as Americans often pay two to ten times more than their counterparts in Canada or Europe. This affects all Americans, specifically seniors with fixed incomes, people with high deductibles and no insurance, people with chronic conditions, and taxpayers through Medicare and Medicaid. While a good start, due to the prohibition of direct price controls on pharmaceuticals, there needs to be further negotiations under the IRA to bring U.S. prices in line with international benchmarks. The high prices in the U.S compared to other countries is due to the lack of strict pricing policies and regulatory framework, allowing pharmaceutical companies to set drug prices without explicit price caps.

## II. Data and Research

**1. Richter, Felix. "Drug Price Disparities in the United States and Abroad." *Statista*, 1 Feb. 2024,**

[www.statista.com/chart/35649/drug-price-disparities-in-united-states-and-abroad/](http://www.statista.com/chart/35649/drug-price-disparities-in-united-states-and-abroad/).

- Americans pay 2–10x more for many essential drugs compared to Canada and Europe - Xarelto 5x, Januvia, Bystolic, and Renvela 3x
- Xarelto is \$558 in the U.S., \$85 in Canada

**2. "Report: New Analysis Shows Brand Name Drug Price Hikes Occur in Lockstep." *Patients for Affordable Drugs*, 6 Apr. 2022,**

[www.patientsforaffordabledrugs.org/2022/04/06/report-lockstep-price-hikes-blood-thinners/](http://www.patientsforaffordabledrugs.org/2022/04/06/report-lockstep-price-hikes-blood-thinners/).

- Blood thinners (Xarelto and Eliquis) had increased in price by over 111 percent when entering top 10 best selling drugs
- Inflation = \$300 for a month's supply, instead Xarelto is priced \$500+ for month's supply

**3. "Is It Safe to Buy Xarelto from Canada?" *DoctorSolve*, 18 July 2025,**

[www.doctorsolve.com/blog/is-it-safe-to-buy-xarelto-from-canada/](http://www.doctorsolve.com/blog/is-it-safe-to-buy-xarelto-from-canada/).

- People buy Xarelto from Canada to avoid prices, shows necessary policy reform

(3)

- 96% of 35,000 active online pharmacies operate illegally, advise to check CIPA and third

party verification

### **Case Studies/Precedent**

- America does not use drug price caps, argument of lowering innovation (1) 4. **"Medicare Enrollees Pay 50% Less for Some Drugs in 2025, Report Says." *Reuters*, 18 Dec. 2025, [www.reuters.com/business/healthcare-pharmaceuticals/medicare-enrollees-pay-50-less-some-drugs-2025-report-says-2025-12-18/](https://www.reuters.com/business/healthcare-pharmaceuticals/medicare-enrollees-pay-50-less-some-drugs-2025-report-says-2025-12-18/).**
- Out-of-pocket costs for the 10 drugs will fall 50% in 2026. Trump's IRA Medicare price negotiations include Xarelto.

### **III. Analysis**

The research shows that prescription drugs in the US, such as Xarelto, are astronomically much higher compared to foreign countries like Canada. These costs are inflated, not necessarily yielding to a better quality of life with such high prices, rather encouraging people to buy from other countries to save costs. This results in counterfeit Xarelto, that may contain wrong doses, harmful substances, or no active ingredients, making the treatment failure a failure with dangerous side effects. The root cause being a lack of creating price caps or negotiation of drug prices, allows medical companies with their exclusivity patents to monopolize their pricing. Even though the Inflation Reduction Act negotiates Medicare prices for a few drugs, it doesn't affect private sectors markets or uninsured individuals, offering them very little relief. Benchmark pricing is needed to avoid U.S. prescription drug prices from being insanely high.

### **Bipartisan Appeal**

To have a bipartisan proposal, benchmark pricing along with international reference prices should be used to set a baseline. This expansion of negotiation should focus on reducing costs without undermining innovation through incentives. The focus on excessive price disparities rather than individual price ceilings, as federal agencies already collect the necessary pricing data and have experience administering negotiation frameworks. It is not a nationalization of the pharmaceutical industry nor a reinvention of the system, rather it is playing into the free market system that the U.S. already contains. Due to the bipartisan frustrations with high drug prices, there is a rare opportunity for cross-party alignment on the issue as it aligns with Democratic support and ideals for consumer protections while adhering to the free market. Even though there is a concern surrounding federal involvement, it would lower prices and taxpayer money towards Medicare/Medicaid, along with Federal budget cost is expected to be modest or cost-saving through lower overall healthcare spending due to improved adherence and reduced hospitalizations. A robust cost estimate would be part of the legislative drafting process. While critics may raise concerns about federal involvement, evidence suggests that lowering

prices decrease taxpayer exposure in Medicare and Medicaid and implementation of funding mechanisms tied to savings or modest fees on excessively priced drugs help ensure the policy remains fiscally responsible. Even though there are potential limitations of supply and unwillingness from companies, with timelines that cover specific drugs with EXTREME international price differences, these limitations are negligible with the safeguards. Legislation is necessary because executive actions and administrative reforms have limited scope and no ability to mandate fair pricing or negotiation standards for private insurance and uninsured populations.

#### **IV. Bill**

1. Purpose: Reduce excessiveness in U.S. prescription drug prices for essential medications like Xarelto by establishing federally sanctioned pricing benchmarks tied to peer international markets.
2. Mechanisms:
  - a) Authorize HHS (Department of Health and Human Services) to set upper price limits for selected essential drugs based on average benchmarks in Canada and France
  - b) Allow government negotiation with manufacturers of pharmaceuticals for private insurance companies and uninsured markets, not just Medicare
  - c) Establish legal framework for safe and licensed importation of drugs at international prices if comparable domestic prices exceed such benchmarks.
3. Agencies: HHS would lead the initiative by calculating prices through benchmark data and certify importation channels for pharmaceuticals
4. Timeline: Year 1, Research for international benchmarks; Year 2, Negotiations based on benchmark research and push legislation international importation of pharmaceuticals internationally based on research; Year 3, Nationwide implementation
5. Funding: Paid through modest fees on high-priced drug sales above benchmarks and projected savings through reduced prices for government programs.
6. Metrics: Price convergence to international benchmarks with a reduction in out of pocket prices
7. Current Policy: Outside of the scope of Medicare's limited negotiations to systemic pricing solutions, benefiting broader populations of people

#### **V. Summary**

High prices for drugs like Xarelto are not inevitable; they reflect a policy choice. Data shows Americans pay far more than Canadians and Europeans for identical medication. Legislative action establishing international benchmark price limits, expanded negotiation, and safe import

pathways directly addresses both patient affordability and market efficiency, while retaining bipartisan appeal.