The Trans-Pacific Partnership

A Threat to U.S. Health Care

The Trans-Pacific Partnership (TPP) is on track to become the biggest free trade agreement ever. It's being negotiated in secret among 12 countries: the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

If adopted, the TPP would raise prescription drug prices, reduce people's access to needed medicines in the U.S. and overseas, and give pharmaceutical companies unlimited ability to maximize their profits.

Many health care organizations have raised concerns about the TPP, including AARP, American Public Health Association, Consumers Union, Doctors Without Borders, and more.

Here's more on why the TPP is a bad deal for U.S. health care.

Patents Extended for Years, or Longer

The TPP would keep drug prices high by extending the patent monopolies of the big pharmaceutical companies. This would severely restrict the development and marketing of generic drugs. Prices for critical prescription drugs would rise, profits for big pharmaceutical companies would skyrocket and millions of people would have little or no access to affordable medicine.

Patents provide an inventor or developer a temporary monopoly on a product in order to recoup research and development costs. But the patent system, when abused, also can block the development of generic drugs and other competitive products.

TPP would open the door to that abuse, by giving drug companies the ability to extend existing patents each time there is even a minor "innovation" in the drug, whether it improves the drug's efficacy or not. Extending the patent delays the development of generic drugs, keeping them off the market and out of the hands of people who need for years.

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Under TPP, biologic drugs that have been developed to combat serious diseases like multiple sclerosis, rheumatoid arthritis, cancer and other conditions, would get 12 years of "exclusivity." During this 12 – year period, the Food and Drug Administration is prohibited from approving more affordable versions of the drugs.

Governments Blocked from Managing Costs for Public Health Programs

To keep public health programs affordable for both patients and taxpayers, governments use different approaches to negotiate pricing and manage costs. Preferred drug lists, discounts, and rebates are among the ways that governments work to reduce spending.

The TPP would block governments from managing drug costs, and instead require that all TPP countries have similar policies that reflect "competitive, market-derived prices." This would mean increased program costs for Medicare, Medicaid, the Veterans Administration health program, and other programs that keep drugs affordable for community health centers and clinics.

Maximizing Profits for Drug Companies at Citizens' Expense

The US Trade Representative also is pushing for provisions that would allow big pharmaceutical companies and other corporations to sue any TPP country in a secret, international tribunal if the corporation claims that its "expected" profits could be affected by that country's laws or regulations. The decision of this tribunal – a panel of lawyers accountable to no government – is binding. For example, under a similar trade deal, Eli Lilly is challenging a Canadian law that requires the firm to show that one of its drugs will work as promised. Eli Lilly is claiming $500 million in damages.

Get the TPP Off the Fast Track

"Fast Track" authority means Congress will have to vote on the 1,200+ page TPP trade deal as written with almost no debate and no ability to amend it, in an expedited schedule. Members of Congress will be voting to give the TPP this expedited approval process without having actually read the TPP agreement and before negotiations are even complete! They will, in effect, be voting for the trade agreement before reading it.

Congress must reject Fast Track authority and ensure that trade deals like the TPP benefit all citizens, not just corporate ones.