

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

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Statement from the President Obama on Agreement to Bring Down Drug Prices for Americans Seniors

"I am pleased to announce that an agreement has been reached between Senator Max Baucus and the nation's pharmaceutical companies that will bring down health care costs and reduce the price of prescription drugs for millions of America's seniors. As part of the health reform legislation that I expect Congress to enact this year, pharmaceutical companies will extend discounts on prescription drugs to millions of seniors who currently are subjected to crushing out-of-pocket expenses when the yearly amounts they pay for medication fall within the doughnut hole any payments by seniors not covered by Medicare that fall between \$2700 and \$6153.75 per year. The existence of this gap in coverage has been a continuing injustice that has placed a great burden on many seniors. This deal will provide significant relief from that burden for millions of American seniors".

"The agreement by pharmaceutical companies to contribute to the health reform effort comes on the heels of the landmark pledge many health industry leaders made to me last month, when they offered to do their part to reduce health spending \$2 trillion over the next decade. We are at a turning point in America's journey toward health care reform. Key sectors of the health care industry acknowledge what American families and businesses already know - that the status quo is no longer sustainable. The agreement reached today to lower prescription drug costs for seniors will be an important part of the legislation I expect to sign into law in October. I want to commend House chairmen Henry Waxman, George Miller and Charles Rangel for addressing this issue in the health reform legislation they unveiled this week. This is a tangible example of the type of reform that will lower costs while assuring quality health care for every American".