Alliance for Retired Americans®

FACT SHEET

JULY 2019

United States-Mexico-Canada (USMCA) Agreement and Prescription Drugs

On November 30, 2018, President Trump signed the renegotiated NAFTA trade deal and put Congress on notice that it will send lawmakers a bill to implement the United States-Mexico-Canada (UMSCA) Agreement, also known as NAFTA 2.0. Congress must vote to approve the agreement for it to be finalized; a NAFTA 2.0 vote will come in 2019. The trade agreement contains provisions that could affect drug prices for all Americans, including seniors through long patent terms. It may also jeopardize the government's ability to lower drug prices for taxpayers and consumers in the future.

NAFTA 2.0 Locks in Patent Protections for Drugs & May Block Future Reform

The United States grants lengthier patents and other regulatory protections to pharmaceutical corporations than other countries do. The U.S. Trade Representative, at the urging of pharmaceutical companies, pressured Mexico and Canada to provide the U.S. protections and set them in stone as part of the NAFTA 2.0 agreement.

In doing so, our country's ability to implement patent reform in the future is jeopardized and high prescription drug prices for consumers will be locked in.

Exclusivity for biologics: NAFTA 2.0 locks in a lengthy exclusivity period for biologics – drugs used to treat various types of cancer or chronic conditions like rheumatoid arthritis and multiple sclerosis. The agreement protects pharmaceutical corporation monopolies and profits at the expense of patient access to life-saving medicines.

Evergreening: NAFTA 2.0 requires countries to grant "evergreen" patents or patent extensions for small changes in the formula, dosage or administration of a drug, regardless of whether these minor alterations improve the efficacy of the drug. This also keeps generic versions from being developed and extends corporate monopolies.