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New Tariffs A Hard Pill To Swallow

Rising healthcare costs are squeezing American families, and the Trump Administration's new tariffs of 25% or higher on medications manufactured abroad threaten to push vital medicine further out of reach. From generics to name-brand drugs, lifesaving treatments may face steep price hikes as tariffs are set to disrupt global pharmaceutical supply chains.

More than 172 million Americans – 61% of adults and 20% of children – rely on prescriptions filled annually, with \$213 billion worth of medicines now imported into the United States.

Tariffs could add \$46 billion in costs to drugmakers, with insurers likely passing these expenses to patients through higher premiums. Even medications produced domestically remain vulnerable, as U.S. manufacturers depend on foreign-sourced ingredients and materials.

Generic drugs – which are cheaper for consumers – face particular danger, with supply chain volatility threatening to wipe out affordable options and leave name-brand alternatives as the only choice.

For families already navigating complex treatment regimens and rising out-of-pocket costs, tariffs risk turning prescription refills into financial crises. With the average household potentially facing thousands in added annual healthcare expenses, patients battling chronic conditions and serious illnesses could find themselves choosing between medications and putting food on the table.

Here's how Americans could feel the impact of tariffs at the pharmacy:

Medication Costs:



Generic drugs make up about **90%** of the medicines prescribed in the United States.¹

Ninety-seven percent of antibiotics, 92% of antivirals and 83% of the most popular generic drugs contain at least one active ingredient that is manufactured abroad, primarily in Asian markets.²

- Many of these generic imports, including aspirin, antiviral medication and penicillin, come from China, which is subject to a **145% tariff**.²
 - Under this tariff, a generic bottle of aspirin that costs \$9.79 would now total **\$23.99 at local pharmacies**.

A 24-week prescription for a generic cancer drug could cost **\$8,000 to \$10,000 more if 25% tariffs are imposed**.³

A 25% tariff could result in an **increased cost of 17.5% for generic drugs**.⁴

Shortages:



Drug shortages in the United States reached a record-level high last year with **323 active shortages in the first quarter of 2024**.⁵

Tariffs could cause shortages of some cheaper generic drugs. Manufacturers with thin margins may be forced to end production, devastating the amount of available medication.⁶

Increasing Insurance Costs:



Tariffs and the increasing costs of medication would likely **raise insurance premiums for consumers** as spending on drugs increases.⁷

Patients whose insurance requires them to pay a deductible or a percentage of a drug's price could eventually face higher out-of-pocket costs for some drugs and even a higher copayment if shortages resulting from the tariffs **force them to switch to a different, more expensive medication**.⁸

¹ <https://www.cnn.com/2025/04/16/business/tariffs-impact-generic-drugs-access/index.html>

² <https://www.americanactionforum.org/research/sector-specific-tariffs-estimating-the-costs/>

³ <https://www.ft.com/content/b5ed8bf5-fdd2-462b-a92c-98f0d985a685>

⁴ <https://www.reuters.com/business/healthcare-pharmaceuticals/pharma-companies-expected-absorb-any-tariff-hit-short-term-2025-04-16/>

⁵ [https://www.ashp.org/drug-shortages/shortage-resources/drug-shortages-statistics#:~:text=The%20number%20of%20active%20drug%20shortages%20is,shortages%20\(41%25\)%20began%20in%202022%20or%20earlier.](https://www.ashp.org/drug-shortages/shortage-resources/drug-shortages-statistics#:~:text=The%20number%20of%20active%20drug%20shortages%20is,shortages%20(41%25)%20began%20in%202022%20or%20earlier.)

⁶ <https://www.nytimes.com/2025/04/15/health/trump-tariffs-drug-imports-china-india-ireland.html>

⁷ <https://www.brookings.edu/articles/pharmaceutical-tariffs-how-they-play-out/#prescription-drug-market-dynamics-relevant-to-tariff-analysis>