**PUBLIC FORUM DEBATE**

**November-December 2018**

John F. Schunk, Editor

**“Resolved: The United States federal government should impose price controls on the pharmaceutical industry.”**

**PRO**

P01.

P02.

P03.

P04.

P05.

P06.

P07.

P08.

P09.

**PRO**

**SK/P01.**

**1.**

SK/P01.01) Alex Kacik, MODERN HEALTHCARE, January 1, 2018, p. 0002, Gale Cengage Learning, Expanded Academic ASAP. The amount people spend on prescription drugs has nearly doubled over the past three decades as pharmaceutical sales and profit margins have ballooned, according to a government report. Retail prescription drug expenses accounted for about 12% of total U.S. healthcare spending in 2015, up from about 7% through the 1990s. Pharmaceutical and biotechnology sales revenue increased about 45%, from $534 billion to $775 billion from 2006 to 2015, according to a recent report from the U.S. Government Accountability Office.

SK/P01.02) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. Prices for the top 20 drugs prescribed to seniors rose by an average of 12 percent every year from 2012 to 2017. Nothing about the medications changed, except their price tags.

SK/P01.03) Paulina Firozi, THE WASHINGTON POST, October 2, 2018, p. A18, NexisUni. The AP found in the two months after Trump's prediction of major cuts, price increases outpaced decreases by a 16.5-to-1 ratio. During that time there were 395 price increases and 24 decreases. The analysis, based on 26,176 list-price changes in the United States for brand-name prescription drugs from January through July in the years 2015 through 2018, also found that there were 96 price increases for every price decrease.

SK/P01.04) U.S. OFFICIAL NEWS, October 5, 2018, pNA, NexisUni. According to the AP’s investigation, families have been faced 96 price hikes for every one price cut over the first seven months of 2018. There were more than 4,412 brand-name drug price increases during this period. In June and July alone, there were 395 price increases. Families were hit with a median price increase of 5.2 percent in June and July of 2018.

SK/P01.05) William Schultz [law firm Zuckerman Spaeder], THE WASHINGTON POST, August 6, 2017, p. C4, NexisUni. The Maryland law distracts from the more difficult and important challenge of lowering prices of patented brand-name drugs, which often cost $50,000 to $100,000 per year for a single patient, and in rare cases more than $500,000 a year. These are drugs for which there can be no competition and for which government programs increasingly are the purchasers (and are typically prohibited by law from negotiating prices, again due to Big Pharma).

**2.**

SK/P01.06) American Association of Retired Persons, STATES NEWS SERVICE, September 26, 2018, pNA, NexisUni. Retail prices for many of the most commonly-used brand name drugs by older adults rocketed upward by an average of 8.4 percent in 2017, outstripping the general inflation rate of 2.1 percent. The annual average cost of therapy for just one brand name drug increased to almost $6,800 in 2017.

SK/P01.07) American Association of Retired Persons, STATES NEWS SERVICE, September 26, 2018, pNA, NexisUni. For more than a decade, brand name drug prices have exceeded the general inflation rate of other consumer goods by a factor of two-fold to more than 100-fold, according to the new "Rx Price Watch Report: Trends in Retail Prices of Prescription Drugs Widely Used by Older Americans: 2017 Year-End Update" released today by AARP Public Policy Institute.

**3.**

SK/P01.08) THE ECONOMIST, May 12, 2018, p. 57(US), Gale Cengage Learning, Expanded Academic ASAP. If one concern unites Americans, it is the high prices of prescription drugs. One incident in particular tarnished much of the pharma industry: in 2015 the price of an antiparasitic drug, Daraprim, jumped from $13.50 to $750 per pill. But large price increases remain stubbornly commonplace (see chart). According to IQVIA, a health-data firm, the wholesale prices of leading drugs such as Humira, Enbrel and Lyrica increased by more than 120% between 2012 and 2017. Other data show that cancer-drug prices rose from about $10,000 to over $100,000 per year in just over a decade to 2012. Further ahead, a new generation of cures, such as a gene therapy for haemophilia, may cost more than $1m.

SK/P01.09) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. Just this month, a fresh controversy over price hikes erupted, triggering criticism of Nostrum Laboratories. The tiny Kansas City, Missouri-based generic drug company posted a 404 percent increase, to $2,392.32 per bottle, for its generic version of a 65-year-old liquid antibiotic for bladder infections, nitrofurantoin.

**4.**

SK/P01.10) Ceci Connolly, HEALTHCARE FINANCIAL MANAGEMENT, August 2017, p. 26, Gale Cengage Learning, Expanded Academic ASAP. The U.S. healthcare system faces growing cost pressures due to the unrelenting increase in prescription drug prices. Over the past 20 years, the cost of medications has more than doubled, from 7 percent to about 17 percent of all healthcare spending. Soaring drug prices are both a major contributor to overall healthcare costs and an impediment to providers and health plans looking to appropriately manage total cost of care. If the trend continues, projections show that this problem will get worse. Patients, health plans, government programs, and other payers spent more than $300 billion on prescription drugs in 2015, and spending is expected to climb to $400 billion in 2020, according to IMS Health.

SK/P01.11) Tara Bannow, MODERN HEALTHCARE, February 19, 2018, p. 0018, Gale Cengage Learning, Expanded Academic ASAP. When administrators at Henry Ford Medical Group agreed to provide free cancer treatment for about a dozen uninsured Detroit- area patients, they never expected it would cost $3 million. Exasperated, they took out their calculators to figure out what made the care so expensive. "Amazingly, two-thirds of that was drug costs," said Dr. William Conway, CEO of the medical group. "We were pretty floored by that." More than 60% of CEOs, including Conway, cited drug costs when asked to predict their fastest-growing expense in 2018, according to Modern Healthcare's latest CEO Power Panel survey, a quarterly polling of some of healthcare's most prominent leaders. That answer eclipsed the runner-up, staffing and labor costs, at 20.9%. Technology, charity care, supply chain and liability expenses trailed even farther.

SK/P01.12) William Schultz [law firm Zuckerman Spaeder], THE WASHINGTON POST, August 6, 2017, p. C4, NexisUni. Most people who work in health-care policy agree that rising prescription drug prices pose a serious threat to efforts to make health care affordable. Prescription drug prices account for 17 percent of the nation's health-care costs, up from 7 percent in the 1990s. According to data from the Medicare Payment Advisory Commission, prescription drug spending accounts for nearly 20 percent of total program spending for Medicare, the largest of the governmental health-care programs.

SK/P01.13) Merrill Goozner, MODERN HEALTHCARE, January 15, 2018, p. 0026, Gale Cengage Learning, Expanded Academic ASAP. But, after closely examining the latest CMS expenditures report, the indisputable fact is that rising drug and medical-device prices remain the most serious contemporary cost problem the healthcare industry has. Indeed, it threatens to overwhelm all other efforts at cost control, many of which are showing signs of progress.

**5.**

SK/P01.14) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. "The rate of increases has slowed down, but prices haven't decreased," said Stephen Schondelmeyer, a University of Minnesota professor of pharmaceutical economics who runs its research program on drug prices and public policy. He noted such temporary pricing restraint occurs periodically, around elections and other times when the issue is hot, but then companies go back to raising drug prices.

**6.**

SK/P01.15) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. Whatever might explain, or solve, rising drug prices, it's clear they can't continue. The 12 percent average price increase per year far outpaces the current rate of economic growth in the U.S., says Gal Wettstein, a research economist at Boston Collee's Center for Retirement Research. "It's not sustainable," he adds. "We can't spend half our national income on drugs."

**SK/P02.**

**1.**

SK/P02.01) U.S. OFFICIAL NEWS, October 5, 2018, pNA, NexisUni. Drug manufacturers are posting record profits, but they’re still charging outrageous prices for life-saving medications, like $500 for Epi-Pens.

SK/P02.02) U.S. OFFICIAL NEWS, October 5, 2018, pNA, NexisUni. Since December 2017, the American people have witnessed massive payouts for pharmaceutical companies, and reports show the pharmaceutical industry is using a large portion of its windfall from corporate tax cuts to boost its stock prices, while continuing to raise drug prices.

**2.**

SK/P02.03) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. Other analysts point toward a simpler explanation: Companies demand more simply because they can. "Prices are set at whatever the market will bear," says Aaron Kesselheim, an associate professor of medicine at Harvard's Brigham and Women's Hospital. "That's the fundamental principle behind drug pricing in the U.S."

SK/P02.04) Carolyn Y. Johnson, THE WASHINGTON POST, September 24, 2015, p. A1, NexisUni. Shkreli's actions were shocking for a simple reason: It was an unusual moment of complete transparency in health care, where motives, prices and how the system works are rarely ever talked about so nakedly. Shkreli's company, Turing Pharmaceuticals, raised the price of Daraprim from $18 to $750 per pill because he could. "I think it reflects a widespread appreciation that pricing for drugs is entirely irrational in this country and the pharmaceutical industry has total control over prices and there's no rationality to the system," said Peter B. Bach, a physician and director of the center for health policy and outcomes at Memorial Sloan Kettering Cancer Center in New York. "It's such a perfect, crystalline example of everything that can be done, given the lack of rationality in the system, and the total bankruptcy of the justifications for high drug prices in the first place."

**3.**

SK/P02.05) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. New drugs are usually priced higher than their competitors, presumably because they're better than what is already out there. But these days, something strange is happening: When a medication enters the market, companies reprice already-approved competitors to match it, even if they've been available for years.

**4.**

SK/P02.06) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. The rise of pharmacy benefit managers--companies that act as middlemen, negotiating for lower prices on behalf of insurers--may be creating pressure for old drugs to keep pace, thereby earning themselves money through rebates and sales. These increasingly powerful players in the supply chain have an incentive to work with the highest-priced drugs because they come with the biggest rebates. Older, lower-priced drugs offer a smaller rebate, which makes the middlemen less interested in them. The only way to remain a player in the market is to offer the same rebate to the pharmacy benefit managers, which means raising the list price.

SK/P02.07) THE ECONOMIST, May 19, 2018, p. 10(US), Gale Cengage Learning, Expanded Academic ASAP. It [the government] could also expose the opaque and hugely profitable array of intermediaries which sit between the makers and takers of drugs. These firms are supposed to negotiate cheaper prices on behalf of insurance companies, passing savings on to consumers. In reality, a complex and largely confidential system of rebates on published prices has driven up the bill for patients, who pay from their own pockets and see little of the discounts.

**5.**

SK/P02.08) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. Another argument for defending high prices is that pharmaceutical companies do not actually charge list prices for drugs. Hospitals and insurers often negotiate discounts on drug list prices, and sometimes up to 50%. However, drug prices worldwide remain at unrealistically high levels, since examples of annually raising prices (or prices rising after selling licences) to more than double the original price are plentiful.

**6.**

SK/P02.09) THE ECONOMIST, December 10, 2016, p. 34(US), Gale Cengage Learning, Expanded Academic ASAP. The industry says its products save money for the health-care system, and that profits are the source of investment for creating the drugs of the future. Both points are sometimes true. But with many pharma firms buying in drugs, rather than developing them in-house, there is a strong case that drug prices currently have more to do with the cost of deal-making than the cost of innovation.

**SK/P03.**

**1.**

SK/P03.01) THE ECONOMIST, May 19, 2018, p. 10(US), Gale Cengage Learning, Expanded Academic ASAP. Drugs are more expensive in America than anywhere else. A month's supply of Harvoni, which cures hepatitis C, costs $32,114 in America and $16,861 in Switzerland. Some cancer drugs can cost more than $150,000 a year.

SK/P03.02) Harris Meyer, MODERN HEALTHCARE, April 9, 2018, p. 0020, Gale Cengage Learning, Expanded Academic ASAP. It was on prices where the U.S. was the clear outlier. Driven by sharply higher prices for brand-name drugs, the U.S. per-capita pharmaceutical spending was more than twice as high as average spending in the other 10 countries--$1,443 versus $680, the study found.

SK/P03.03) STATES NEWS SERVICE, September 28, 2018, pNA, NexisUni. Today, Congressman Francis Rooney and Congressman Peter Welch (D-Vt.) introduced the Drug Price Transparency Act to lower prescription medication prices for seniors. Congressman Rooney stated, "Skyrocketing drug prices are an unacceptable burden for our senior citizens. Americans pay much more for prescription drugs than seniors in other developed countries. In fact, beneficiaries of Medicare Parts B and D are often unfairly burdened for 20% of the cost of some of their most expensive medications.”

**2.**

SK/P03.04) Harris Meyer, MODERN HEALTHCARE, April 9, 2018, p. 0020, Gale Cengage Learning, Expanded Academic ASAP. The sharp difference between the two doctors' experience partly explains why the U.S. healthcare system has much higher administrative costs than Canada and other countries. Those costs, plus much higher prices for medical services and pharmaceuticals and much higher pay for physicians and nurses, were the major reasons the U.S. spent a larger share of GDP on healthcare in 2016 than 10 other wealthy nations, according to a recent study in JAMA. The authors said the huge spending gap--17.8% of GDP in the U.S. versus an average of 10.8% in the other 10 countries--was not primarily driven by the factors that often get the blame. Those commonly cited culprits include excessive utilization caused by the U.S. fee-for-service payment system, defensive medicine prompted by liability worries, underinvestment in social programs, and a low mix of primary care to specialty care.

SK/P03.05) Harris Meyer, MODERN HEALTHCARE, April 9, 2018, p. 0020, Gale Cengage Learning, Expanded Academic ASAP. The JAMA study findings reinforce doubts about whether the current U.S. policy mantra of shifting from fee-for-service to value-based payment, plus adopting high-deductible health plans to squeeze out unnecessary care will be the silver bullet to reduce spending. Instead, the authors suggest the need for measures aimed directly at bringing down the prices of drugs and medical services.

**3.**

SK/P03.06) THE ECONOMIST, March 17, 2018, p. 66(US), Gale Cengage Learning, Expanded Academic ASAP. Every year America spends about $5,000 more per person on health care than other rich countries do. Yet its people are not any healthier.

SK/P03.07) Aurora Aguilar, MODERN HEALTHCARE, September 24, 2018, p. S002, Gale Cengage Learning, Expanded Academic ASAP. At $3.4 trillion, healthcare spending is now 18% of the nation's gross domestic product. Americans are increasingly responsible for a bigger chunk of these costs. Deductibles can soar as high as more than $6,000 for one person to more than $13,000 for a family of four. Meanwhile, the U.S. claims the lowest life expectancy and the highest childhood mortality rate among comparable developed nations.

**SK/P04.**

**1.**

SK/P04.01) THE ECONOMIST, December 10, 2016, p. 34(US), Gale Cengage Learning, Expanded Academic ASAP. Ever since the Affordable Care Act changed the way the health-insurance industry was regulated, many patients have been asked to stump up more of the cost of their medicines through cash payments and high deductibles.

SK/P04.02) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. In the U.S., drug pricing is far from transparent. Manufacturers typically set high list prices but then negotiate rebates and discounts with middlemen, such as prescription benefit managers, to get preferential insurance coverage for their products. Many consumers never see the list price, though rising drug prices generally put pressure on insurers to raise rates. Patients with high-deductible or no insurance often get stuck being charged the full list price.

SK/P04.03) THE ECONOMIST, May 12, 2018, p. 57(US), Gale Cengage Learning, Expanded Academic ASAP. Whatever the federal government ends up doing, however, others are finding their own ways to reduce drug bills. That is not always to the good of patients. They have been forced by insurers to contribute more to the cost of their medicines, and have received less access to expensive drugs. For instance, they have struggled to get hold of ground-breaking but costly new cholesterol-lowering drugs known as PCSK9 inhibitors.

SK/P04.04) Joshua P. Cohen [Tufts Center for the Study of Drug Development] et al., HEALTH SERVICES RESEARCH, August 2018, p. 2758, Gale Cengage Learning, Expanded Academic ASAP. Recently, a tool has been added to the cost containment arsenal as the two largest PBMs [pharmacy benefit managers] in the United States--CVS Caremark and Express Scripts --have adopted so-called exclusion lists to tame increasing drug costs. Exclusion lists consist of a number of drags excluded from coverage juxtaposed with recommended drugs in the same therapeutic class. The implication of a drug having excluded status is that patients must pay its full cost.

SK/P04.05) Joshua P. Cohen [Tufts Center for the Study of Drug Development] et al., HEALTH SERVICES RESEARCH, August 2018, p. 2758, Gale Cengage Learning, Expanded Academic ASAP. Figure 1 shows that CVS Caremark and Express Scripts, which manage the pharmacy benefits of over 150 million covered lives, have significantly enlarged their exclusion lists in recent years (Fein 2015) In 2016, Express Scripts placed 87 products on its exclusion list, while CVS Caremark put 124 drugs on its exclusion list. This represents a 65 percent increase since 2014. The lists for 2017 indicate CVS has increased the number of excluded products to 154, while Express Scripts have increased its number to 85 (Toich 2017).

**2.**

SK/P04.06) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. The current rise in drug prices worldwide is making healthcare unaffordable even in high-income countries.

SK/P04.07) THE ECONOMIST, December 10, 2016, p. 34(US), Gale Cengage Learning, Expanded Academic ASAP. Despite the cost of drugs, almost three-quarters of those taking medicines can afford to pay for their prescription. That still leaves millions struggling to afford them, and means that drug pricing will remain contested.

SK/P04.08) American Association of Retired Persons, STATES NEWS SERVICE, September 26, 2018, pNA, NexisUni. "The average older American taking 4.5 prescription medications each month would have faced more than $30,000 in brand name costs last year," said Leigh Purvis, Director of Health Services Research, AARP Public Policy Institute, and co-author of the report. "That amount surpasses the median annual income of $26,200 for someone on Medicare by more than 20 percent. No American should have to choose between paying for their drugs and paying for food or rent."

SK/P04.09) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. Older Americans spend a big portion of their income on prescription medications. According to the Centers for Disease Control and Prevention, 91 percent of people over age 65 take at least one drug, and one in four has difficulty paying for them.

SK/P04.10) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. But seniors aren't alone. In 2016, Americans spent nearly $330 billion on prescriptions, about $1,000 for every citizen.

**3.**

SK/P04.11) Haig Armaghanian [President & CEO, Haig Barrett Management], MANUFACTURING CHEMIST, November 2017, p. 46, Gale Cengage Learning, Expanded Academic ASAP. In the pharmaceutical industry, for instance, studies by the Institutes of Medicine have shown that if the point-of-purchase price is too high, people tend not to fill their prescriptions and never take the medicines they've been prescribed.

SK/P04.12) Ceci Connolly, HEALTHCARE FINANCIAL MANAGEMENT, August 2017, p. 26, Gale Cengage Learning, Expanded Academic ASAP. The trend is having a direct impact on patients. Studies show that half of all patients do not take their medications as prescribed and more than 20 percent of new prescriptions go unfilled--and the main reason is cost. We must address rising drug prices to ensure the healthcare system is sustainable and affordable and works for patients and health plans alike.

SK/P04.13) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. While dramatic price increases like the 450 percent hike in the cost of EpiPens and the 5,000 percent overnight increase for Daraprim--the latter overseen by the notorious "Pharma Bro" Martin Shkreli--have earned the headlines, an astonishing 90 percent of brand-name drugs have more than doubled in price over the past decade. A 2016 study found that one out of every five Americans reported not filling a prescription because they couldn't afford it.

**4.**

SK/P04.14) Jessica Wapner, NEWSWEEK, May 4, 2018, pNA, Gale Cengage Learning, Expanded Academic ASAP. Individual Medicare beneficiaries aren't the only concern, says Juliette Cubanski, associate director of the program on Medicare policy at the Kaiser Family Foundation. All medications, she says, not just those used by seniors, are subject to the rising price trend, and all taxpayers pay for Medicare. Sooner or later, the high price of a prescription drug will lead to a public health crisis. When, say, a cure for Alzheimer's disease comes along, the treatment will likely be too expensive for all those in need. "How do we decide who should get it?" she asks. "And who should pay for it?"

**SK/P05.**

**1.**

SK/P05.01) Andrew Pollack, THE NEW YORK TIMES, September 22, 2015, p. B3, NexisUni. ''Price-gouging like this in the specialty drug market is outrageous,'' Hillary Rodham Clinton, a contender for the Democratic presidential nomination, said in a tweet on Monday. She said she would announce a plan on Tuesday to deal with rising drug prices. Ms. Clinton was referring to the actions of Turing Pharmaceuticals, which last month acquired Daraprim, a 62-year-old drug used to treat a serious parasitic infection, and raised its price to $750 per tablet, from $13.50. The cases of Daraprim and of the tuberculosis drug, cycloserine, are examples of a relatively new business strategy -- acquiring old, neglected drugs, often for rare diseases, and turning them into costly ''specialty'' drugs. Cycloserine was acquired last month by Rodelis Therapeutics, which promptly raised the price to $10,800 for 30 capsules, from $500.

SK/P05.02) Andrew Pollack, THE NEW YORK TIMES, September 22, 2015, p. B3, NexisUni. Infectious disease specialists, who have protested the price increase, question the need for new drugs for toxoplasmosis and say that if Turing wants to develop such drugs, it should use money from investors. They say the price increase will raise the cost of treating some adult patients with toxoplasmosis to hundreds of thousands of dollars a year. Senator Bernie Sanders of Vermont, who is also vying for the Democratic presidential nomination, sent Turing a letter on Monday demanding information on the price increase. ''Without fast access to this drug, used to treat a very serious parasitic infection, patients may experience organ failure, blindness or death,'' Mr. Sanders said in a statement issued with Representative Elijah Cummings, Democrat of Maryland.

SK/P05.03) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. The end of the twentieth century saw a major breakthrough in treating HIV/AIDS. The discovery of antiretrovirals, or ARVs, turned a virus thought to be a death sentence into a chronic but manageable disease--for those who could afford the medicine. But, despite the fact that government-supported scientists played the key roles in developing it, the miracle drug was protected by monopoly patents held by multinational pharmaceutical companies. That meant the companies were free to charge exorbitant prices for the treatment--which they did.

SK/P05.04) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. In the context of ARVs, the existence of these patent monopolies put corporate profits ahead of human lives. Even though the medicine could be produced at barely over $1 a dose, the price established by the patent holders was over $1,000 per month. For low-income countries, the cost was an impossible burden. At the turn of the century, just one of every 1,000 Africans infected with HIV had access to the medicine. Meanwhile, more than two million people in Africa were dying from AIDS each year.

**2.**

SK/P05.05) USA TODAY, September 2018, p. 16, Gale Cengage Learning, Expanded Academic ASAP. Up to 40% of lost years of life from each of five leading U.S. causes--heart disease, cancer, chronic lower respiratory diseases, stroke, and unintentional injuries--are preventable, according to the Centers for Disease Control and Prevention.

**SK/P06.**

**1.**

SK/P06.01) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. Competition may work well to lower the prices of baguettes and cars. But it has proved to have limited impact on American health care, especially when it comes to expensive interventions like prescription drugs.

SK/P06.02) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. This phenomenon, what economists call “sticky pricing,” is common in pharmaceuticals. It has raised the prices in the United States of drugs for serious conditions including multiple sclerosis and diabetes even when there are multiple competing drugs. The problem is that companies have decided it is not in their interest to compete. In situations where there can be only one winner, competing is a given. But a lot of life and a lot of business just isn’t like that, especially when a group of companies are all doing good business by selling a type of drug for a very high price. There’s cover in numbers.

**2.**

SK/P06.03) American Association of Retired Persons, STATES NEWS SERVICE, September 26, 2018, pNA, NexisUni. "Despite years of relentless public criticism, brand name drug companies continue increasing the prices of their products at rates that far exceed general inflation," said AARP Chief Public Policy Officer Debra Whitman. "It's clear that we need long-term, meaningful policies that go beyond just hoping that the drug industry will voluntarily change its excessive pricing behavior."

SK/P06.04) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. And shaming is in the eye of the beholder. The companies’ “stakeholders” are not really, after all, patients, but shareholders, who most likely will support attempts to make as much money as possible.

SK/P06.05) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. Martin Shkreli is in prison, but Daraprim still costs $750 per pill. Heather Bresch was hauled before Congress, but EpiPens still cost three to six times more than they did in 2007. Every week we hear of a new outrageous drug price increase. In polls, some 80 percent of Americans say that government should do more to curb drug prices.

**3.**

SK/P06.06) Paulina Firozi, THE WASHINGTON POST, October 2, 2018, p. A18, NexisUni. It's been more than four months since President Trump promised that drug companies would soon make "voluntary, massive drops in prices." The president said it would happen in two weeks, and in subsequent speeches, he has touted his administration's effectiveness on the issue. But no such major decrease in the cost of prescription drugs has occurred. Recent analysis from the Associated Press shows that in fact, there have been more price increases than cuts in the months since the president's May remarks.

SK/P06.07) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. President Donald Trump made reducing drug prices a key promise during his election campaign, repeatedly accusing drugmakers of "getting away with murder." At the end of May, he promised that drug companies would be announcing "massive" voluntary drug price cuts within two weeks. That hasn't happened, and an Associated Press analysis of brand-name prescription drug prices shows it's been business as usual for drugmakers, with far more price hikes than cuts.

SK/P06.08) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. Meanwhile, 77 percent of Americans consider U.S. prescription drug costs "unreasonable" and fewer than a quarter approve of how Trump is addressing the problem, according to a mid-August national poll of 1,002 adults from West Health Institute, a nonpartisan health care research group.

SK/P06.09) Alex Kacik & Virgil Dickson, MODERN HEALTHCARE, May 14, 2018, p. 0002, Gale Cengage Learning, Expanded Academic ASAP. Trump took aim at industry middlemen like pharmacy benefit managers, distributors and insurers, claiming they inflate drug prices. He also promised to make it more expensive for "free-riding" foreign countries to produce drugs, arguing that they take advantage of U.S. manufacturers' research and development. "We are very much eliminating the middlemen," Trump said. "The middlemen became very, very rich they won't be so rich anymore." Industry experts were unmoved though. "I don't think there is going to be any measurable impact to the overall pharmaceutical cost trend with the administration's proposed policy actions," said David Henka, CEO of ActiveRadar, previously RxTE Health, which manages prescription drug benefits for employers and employees. "Pharma finds a way to maximize profits."

**4.**

SK/P06.10) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. The current pricing spiral will only stop through well-designed regulatory interventions and measures around drug pricing on a national and transnational levels.

**SK/P07.**

**1.**

SK/P07.01) Washington University School of Medicine, STATES NEWS SERVICE, October 4, 2018, pNA, NexisUni. President Donald Trump has touted his new United States-Mexico-Canada Agreement (USMCA) as a way to boost the American economy. It may not, however, have any impact on one of his other campaign promises: reducing prescription costs for U.S. consumers, says a drug pricing expert at Washington University in St. Louis. Buried in the draft of the new pact is a provision that would give pharmaceutical companies a minimum of 10 years to exclusively market biologic drugs, a set of complex medications made from living cells. The Trump administration claims the USMCA would protect their profits.

SK/P07.02) THE ECONOMIST, May 19, 2018, p. 10(US), Gale Cengage Learning, Expanded Academic ASAP. Mr Trump also repeated an argument beloved of pharmaceutical companies--that foreigners are to blame for America's high prescription-drug prices. Because Europeans pay too little for their drugs, goes the argument, Americans make up the losses by paying more. Mr Trump promises to instruct trade negotiators to demand that other countries extend periods for patents on American-made drugs, which in turn would raise costs for foreign governments. Even if this proves possible--and it seems unlikely to succeed with America's big trading partners--it would not cut Americans' drugs bills by a cent.

**2.**

SK/P07.03) THE ECONOMIST, December 10, 2016, p. 34(US), Gale Cengage Learning, Expanded Academic ASAP. Added to this is the unexpected progress of the 21st Century Cures Act, a $6.3bn omnibus bill covering medical innovation and legislation, which has passed through Congress and which the president has said he will sign. The act allocates money for research spending on diseases such as cancer, and would give the Food and Drug Administration powers (and money) to approve drugs more quickly. More rapid approvals, though, will not necessarily translate into lower drug prices. Drugs that have already had approval fast-tracked continue to command high prices even when they are later shown to have no significant benefit, according to new research.

**3.**

SK/P07.04) Alex Kacik & Virgil Dickson, MODERN HEALTHCARE, May 14, 2018, p. 0002, Gale Cengage Learning, Expanded Academic ASAP. Trump's plan calls on providers in the 340B drug discount program to report on how they use the savings. "I'm for transparency, but you have to shed light on the drug manufacturers here too," said Jeff Davis, a senior adviser at the law firm Baker Donelson. Shrinking the 340B program or making it more difficult for providers to access 340B savings is going to increase drug costs, he added.

**4.**

SK/P07.05) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. Companies that raise prices often defend their actions by stating that patients who cannot afford the drugs are offered assistance in the form of patient assistance programmes in Western countries. These programs allow patients to apply for the drugs at reduced or no cost, if they are uninsured and live below a certain income level. The income level is set so that many patients on normal wages don't qualify, so that drug prices can result in catastrophic spending.

**5.**

SK/P07.06) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. When you’re driving on the highway where a speed limit is 55 and most everyone’s going 70, you’re likely to increase your speed, too. Why should you feel bad? Why would the cop single you out? Someone else in a flashy car is probably doing 90. (For drug makers, Mr. Shkreli would be the hot-dogger who gives others cover.) The parties are not really colluding. Drivers aren’t calling one another up to agree to drive too fast; no manufacturers (one hopes) are sitting at a country club agreeing to keep their prices high. This makes drug makers difficult to prosecute under racketeering or restraint of trade laws.

**SK/P08.**

**1.**

SK/P08.01) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. Some ways to ensure that a drug is priced according to its 'true' value are: risk-sharing pricing, pay-for-performance pricing or outcome-based pricing. These pricing schemes allow governments and companies to renegotiate a drug's price based on its real-life performance in terms of effectiveness, sale volumes or cost-effectiveness. In this way, companies have an interest in the real-life therapy outcomes (in terms of effectiveness), and not just the drug's performance in clinical trials (in terms of efficacy).

SK/P08.02) U.S. OFFICIAL NEWS, October 5, 2018, pNA, NexisUni. The Democratic plan to lower prescription costs would: Establish a Drug Consumers Protection Board (DCPD) primarily composed of consumer advocates. Require drug companies to submit any price increase above 10% in one year or 30% over five years to this panel for approval and face penalties if they’re not justified.

**2.**

SK/P08.03) Virgil Dickson, MODERN HEALTHCARE, May 28, 2018, p. 0008, Gale Cengage Learning, Expanded Academic ASAP. Safety-net hospitals urged HHS not to postpone a rule setting new drug ceiling prices for the 340B discount program, saying the delay would leave them defenseless against rising costs. Although HHS was supposed to set ceiling prices starting July 1, the department wants to hold off on the rule for a year. If it does so, this will mark the fifth time the rule has been postponed. Failing to set drug ceiling prices means that 340B hospitals "do not have an effective means to challenge manufacturers they suspect of overcharging," Michael Rodgers, senior vice president at the Catholic Health Association, wrote in a comment letter to HHS.

SK/P08.04) Virgil Dickson, MODERN HEALTHCARE, May 28, 2018, p. 0008, Gale Cengage Learning, Expanded Academic ASAP. Prescription drug prices rose 24.9% overall between 2012 and 2016, according to the Health Care Cost Institute. "Within the context of the 340B program, covered entities are blind to overcharges by drug manufacturers and have no means of accessing ceiling price information," Dr. Bruce Siegel, president of America's Essential Hospitals, said in a comment letter.

**3.**

SK/P08.05) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. Another method of controlling drug pricing is to set price ceilings in various forms. For example, to combat the high prices of generic drugs in Canada, the government has recently negotiated a fixed price ceiling for six of the most used generic drugs.

SK/P08.06) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. In the UK, the government signed an agreement with the pharmaceutical industry that limits increases in spending on branded medicines to below 2% per year. If more is spent, the industry has to reimburse the government. Companies that did not sign this agreement are subject to direct price control.

SK/P08.07) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. One more option is to introduce upward price rigidity, by prohibiting increases in drug prices. In the US, it is industry practice to increase the list prices of marketed drugs at least yearly by substantial amounts, synchronized with the competition. Canada, however, only allows drug prices to rise with inflation.

**4.**

SK/P08.08) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. But while drug prices in America are going up, many of the same drugs are cheaper — and repeatedly have their prices lowered — in other developed countries, where governments step in to regulate costs. These countries conduct large-scale negotiations to set a national price or price ceiling that its government or hospitals or citizens will pay — a kind of speed limit. Some stipulate that prices decline as a drug ages.

SK/P08.09) Elisabeth Rosenthal [editor in chief of Kaiser Health News), THE NEW YORK TIMES, June 21, 2018, pNA, NexisUni. And price regulation can coexist with that American value, competition. Armed with an assessment of a drug’s utility, Britain’s National Health Service sets a price it is willing to pay pharmacists for medicines they dispense. The pharmacists, who are in business for themselves, can then source the medicine from any wholesaler. The more cheaply they can procure the medicine, the more they profit. Patients pay only a small portion of the cost and there is overview to correct for “market failure” — a situation in which pharmacies are making too much or too little from this arrangement.

**5.**

SK/P08.10) THE ECONOMIST, May 19, 2018, p. 10(US), Gale Cengage Learning, Expanded Academic ASAP. The Trump administration criticises the rationing of treatment in other countries. But American insurers routinely restrict the use of costly drugs--only their approach disproportionately affects those of very modest means, since they have flimsier insurance plans.

**SK/P09.**

**1.**

SK/P09.01) Toon van der Gronde [Utrecht Institute for Pharmaceutical Sciences, the Netherlands] et al., PLoS ONE, August 16, 2017, pe0182613, Gale Cengage Learning, Expanded Academic ASAP. Reduced healthcare spending is thought to reduce incentives for innovation, but given the current double-digit profit margins, industrial incomes could be lower without harming the industry's outlooks. Public-private partnerships, in which charity funds are used to sponsor research in exchange for lower prices, could significantly help direct spending decisions on research away from primarily financial motives towards what is best for society.

SK/P09.02) Linda A. Johnson & Nicky Forster, THE ASSOCIATED PRESS, September 24, 2018, pNA, NexisUni. The AP also asked 24 large drug companies this summer if they planned to cut drug prices. None said they did, though some didn't answer. Drugmakers typically say they need to keep raising prices of existing drugs to pay for costly, lengthy research to develop new medicines, though industry critics dispute that.

**2.**

SK/P09.03) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. The pharmaceutical industry marketing is a bit subtler than that, but it does center on the notion that high drug prices are justified by the research the companies conduct. There's one big problem with that argument: a huge proportion of that research is actually paid for by the government. The basic research that makes up the front end of the drug development process is time-consuming, expensive, and often frustrating. Corporations are wary of investing in research that may not yield a profitable drug. So they turn to governments, especially the U.S. National Institutes of Health (NIH) and its $32 billion annual budget for medical research, to assume the risk.

SK/P09.04) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. A study of drugs receiving the U.S. Food and Drug Administration (FDA) priority review status--a designation given to the drugs most likely to have a major impact--from 1988 to 2005 showed that two-thirds of them traced their roots back to government-funded research. U.S. funding contributed to the science underlying every one of the 210 new drugs approved between 2010 and 2016. Groundbreaking drugs to treat cancer and mental health, along with vaccines, all owe their existence to taxpayer-funded research.

SK/P09.05) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. Altogether, some analysts calculate, the private sector only pays for a third of U.S. biomedical research, and much of that is focused on so-called "me too" drugs, which provide no new therapeutic benefit compared to products already available. This helps explain why the industry spends far more on advertising and sales than on research and development.

**3.**

SK/P09.06) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. Beyond this taxpayer-pays-twice equation, there is growing evidence undermining the very premise of awarding monopoly patents--that they are needed to spur innovation. Until the latter third of the twentieth century, most countries forbid or limited patent protection of drugs. This reflected the widely held belief that medicines were a public good. The inventors of insulin won a 1923 Nobel Prize for their efforts, but sold their patents for a dollar each so that the medicine could be widely distributed. "Insulin does not belong to me, it belongs to the world," the lead inventor Frederick Banting explained. A recent paper by NYU professor Petra Moser found that countries without patent laws have produced more than their share of inventions, including innovative new medicines.

SK/P09.07) Fran Quigley [Director, Health & Human Rights Clinic, Indiana U.], WASHINGTON MONTHLY, April-June 2018, p. 23, Gale Cengage Learning, Expanded Academic ASAP. Dean Baker of the Center for Economic and Policy Research has estimated that if the U.S. provided medicines without the artificial price markup imposed by monopoly patents--a markup that funds the industry's windfall profits, high executive salaries, and tens of billions of dollars in annual marketing costs--the savings could fund the replacement of all private industry research and development several times over.

**4.**

SK/P09.08) Rafael Fonseca [Division of Hematology & Oncology, Mayo Clinic], MAYO CLINIC PROCEEDINGS, August 2018, p. 976, Gale Cengage Learning, Expanded Academic ASAP. The critical question then becomes a normative one. What trade-offs would society make if drug prices were to be artificially manipulated? The evidence is fairly clear that reductions in drug prices will lead to reductions in innovation, but that does not mean change should not be welcome. If the counterfactual therapies that never make it to market (because prices are reduced) provide relatively little value to society, then reductions in drug prices would arguably be worth the trade-off of decreased innovation.