

Drugmakers singling out US market for inflation-busting price hikes: probe

December 10 2021



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The pharmaceutical industry is targeting vulnerable Americans with predatory pricing that is forcing them to ration life-saving drugs, according to a three-year congressional probe released Friday.

Investigators focused on 10 drugmakers they accuse of raising prices for common brand-name drugs by nearly four times the rate of inflation over the past five years.

"The committee's investigation has pulled back the curtain on drug companies' unfair, unjustified, always-increasing drug prices," congresswoman Carolyn Maloney, who led the probe, said at a press conference.

Drug pricing has vexed politicians for years in the United States, which has the highest annual health expenditure of any industrialized country, at around \$11,000 per capita, with pharmaceuticals playing a major role.

The 269-page report by the House Oversight Committee's majority Democrats offers what Maloney described as a "rare glimpse" into the tactics of the world's most profitable drugmakers.

For 12 medications the committee examined, the manufacturers raised prices more than 250 times in the five years from 2016, it said—as their chief executives pocketed paychecks totaling almost \$800 million.

Mindy Salango, a diabetic and patient advocate from Morgantown, West Virginia, said she had been reduced to arranging clandestine meetings to give patients otherwise unaffordable insulin.

"We're not criminals, and we're meeting in parking lots like we're criminals. This isn't health care. This is survival of the richest," the campaigner, who pays about \$350 a month for her insulin, told reporters.

Salango said studies had shown that a quarter of US diabetics normally ration their insulin due to unaffordable prices—but the figure increased to an alarming half of patients during the pandemic.

"They have made record profits at the expense of the lives of diabetics and other folks who have chronic illnesses that need their life-saving medication to survive," she said.

'They are brazen'

Investigators said the probe "confirms that the pharmaceutical industry has targeted the United States for price increases for many years while maintaining or cutting prices in the rest of the world."

House Speaker Nancy Pelosi decried "the exploitation of the American consumer" by companies who were offering much lower prices abroad.

"This is outrageous. But you know what? They are brazen," she said. "I communicate with them and make my views known to them about their brazenness."

Spotlighting Pfizer's Lyrica painkiller, which costs four times what it did in 2004, the report accused drug firms of "product hopping," or tweaking drugs to get a new patent and then switching patients to the newer, more expensive version.

The report rejects drugmakers' position that the price hikes support development, saying they had used a significant portion of research funding to extend market monopolies and "suppress competition."

The Democrats hope the report will sway the public in favor of President Joe Biden's \$1.8 trillion Build Back Better social welfare bill, which will go before the Senate in the coming weeks.

The legislation would empower the Medicare government insurance program for seniors to negotiate directly with drugmakers on the price of some older prescription drugs, including cancer treatments.

It would impose a \$35 per month cap on insulin costs and limit the annual out-of-pocket drug costs for Medicare recipients at \$2,000.

But industry lobby group the Pharmaceutical Research and Manufacturers of America (PhRMA) said the bill would not provide patients struggling to afford their medicines meaningful relief.

"The bill inserts the heavy hand of government into America's medicine cabinet, and we know when government bureaucrats set the price of medicine, patients ultimately have less access to treatments and cures," it said.

It accused the report's authors of ignoring "persistent problems throughout the health care system, such as tactics by insurers and middlemen that shift higher costs onto vulnerable patients."

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Citation: Drugmakers singling out US market for inflation-busting price hikes: probe (2021, December 10) retrieved 9 April 2024 from <https://medicalxpress.com/news/2021-12-drugmakers-singling-inflation-busting-price-hikes.html>

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