

Pharmaceutical Greed and Its Consequences

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The problem of drug costs and the very integrity of the pharmaceutical industry is at a critical level and threatens to harm our unsuspecting patients in potentially irreparable ways. It is time that some truths are illuminated although the pharmaceutical industry is eminently powerful.

Cost of medications is obviously a huge issue. Purity of the medication supply is a huge issue. Overseas production of medications with no real monitoring by the FDA is a huge issue. Counterfeiting of medications that we are giving to our sickest patients while they may not be effective is a huge issue. Manipulation of the market costs of meds is a huge issue. Foregoing key medications because they are unaffordable is a huge issue. While I do not profess to be a priest, dollars are at the base of this pyramid of corrupt moral values in the critical availability of unadulterated medica-

tions for our patients.

We are told that prescribing generics is a key to controlling pharmacy costs. Yet, insurers say they are seeing huge cost increases for some commonly used generic drugs with prices soaring 15, 25, and even 75 times what they were two years ago.

Much has been made of Turing Pharmaceuticals' acquisition of daraprim and subsequent boost in price from \$13.50 per pill to \$750 per pill. We were all shocked. But the real shock is the 7546% increase in the cost of doxycycline. This turned the cost of a bottle of doxycycline from \$20 a bottle to \$1849 in less than a year. The cost of cycloserine, used to treat resistant TB, jumped from \$500 for thirty pills to \$10,800 for thirty pills.

Doctors at our top cancer centers, MD Anderson, Mayo Clinic, Dana Farber, Sloan Kettering, and University of Chicago, have protested vigorously against the obscene greed leading to costs that are bankrupting patients. Examples include an agent that enhances immune system performance against cancer costing \$150,000 per year, and a combination treatment for cancer costing \$300,000 per year. Twenty percent of patients are opting against impoverishing their family to save themselves from cancer death.

The high cost of meds has resulted in 50% of patients not taking their meds or skipping doses to save on costs. Failure to follow prescription instructions causes some 125,000 deaths a year and up to 10% of all hospitalizations. It is estimated that this is costing the healthcare system as much as 289 billion dollars a year! The price in the US for the twenty top selling prescription meds is on average three times higher than in Britain and six times higher than in Brazil. The price for those meds in India, where many are manufactured, is 16 times cheaper than in the US where they are sold at huge mark ups.

The manufacture of pharmaceuticals in India is a huge business. In a nation with primitive water supplies, extreme poverty, and population crowding, American pharmaceutical companies have partnered with Indian companies to build 400–500 huge pharmaceutical manufacturing facilities for exporting meds. The workforce has an average family income of \$600 per year! Production supervisors earn \$2500–\$3000 per year. The owners

make billions of dollars. So, what's the problem with this? In India, there are two FDA inspectors assigned to supervise quality, purity, and sanitary production practices. There are nowhere near enough FDA quality people assigned to monitoring and testing these meds before we release them on the public. Instead of paying their fair share of taxes that could be applied to FDA supervision, these drug companies offshore their taxable income and avoid billions in taxation. Again, greed is the sole motivating force in this whole industry.

A federal judge from the US District Court in Ohio, entered a consent injunction against Ascend Pharmaceuticals of Montvale, NJ, for the manufacture and distribution of unapproved prescription drugs which put patients' health at risk since they have not been found to be safe. The product was seized in a warehouse in Cincinnati, OH. The actual source is a parent company in Sri Lanka called Alkem. In United States of America vs. Scientific Laboratories and Rajeshwari Patel and Amet Roy, in the US District Court for Maryland, the feds entered an injunction against Scientific Laboratories et al, under The Federal Food, Drug, and Cosmetic Act and Current Good Manufacturing Practice, 21 C.F.R. parts 210, 211. The injunction was issued because the defendants introduced into interstate commerce new drugs, classified adulterated, that are neither approved nor exempt from approval.

This goes on regularly and some of our most important and exorbitantly priced meds have not been vetted by the feds. The US District Court for Missouri, sentenced Sabahhadin Akman, the owner of Ozay Pharmaceuticals, a Turkish firm, for smuggling counterfeit, misbranded and adulterated cancer treatment drugs into the US, including counterfeit Avastin. He was sentenced to 30 months imprisonment and \$150,000 in fines.

It is projected that the cost of pharmaceuticals for Medicare will rise by almost 10% annually over the next 10 years, amounting to many billions of dollars in uncontrolled costs. Sovaldi is currently \$1000 per pill and Harvoni is \$1125 per pill. The cost of cancer meds has risen tenfold already.

The US market is highly fragmented, with insurance companies, employers, state and federal government programs paying for pharmaceuticals and devices. That leaves drug buyers without the bargaining power of a single-payer system that other countries enjoy. Strategies have been tried to control costs, but this results in unintended consequences. When hospital group purchasing organizations (GPOs) charge high fees to manufacturers in exchange for exclusive supply contracts, it results in shortages and surging prescription prices for others. By stifling the entry of competitive suppliers into the marketplace, the consumer is punished with higher costs. Sen. Blumenthal has campaigned against GPOs and enlisted the FTC. Sen. McCain tried unsuccessfully to allow consumers to import their meds from approved nations that have adequate supervision. Permitting Medicare to negotiate better pricing on meds for beneficiaries has been stymied.

As long as billions in profits totally controls our medication supply, people will continue to suffer and die. Billion dollar lobbies are hard to overcome. It is incumbent upon the government that has seized control of medical practice to resolve this human tragedy.