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PRO Frontlines

A2A2 Reducing Prices

A2A2 Price declines in generics

1. [Renter of Fox finds in 2015](#) that generic prices are going up as well, rising by 1893% from October of 2013 to April of 2014.
2. This doesn't solve back for our HIV impact. [Myhre of Verywell Health finds in 2017](#) that a ton of HIV patents have expired, but only 6 generics have been approved, of which half are infrequently used. Fast-changing science is making drugs obsolete.

A2A2 Price declines across the board

1. According to [Lavito of MSN in 2018](#), as of June, net drug prices fell because copayments decreased, but the actual prices consumers paid increased since the costs were shifted from pharmacy benefit managers to manufacturers and patients, which made it seem like prices fell.

A2A2 Consumers with insurance are buffered from changing prices of drugs.

1. This doesn't include the huge number of people without health insurance. Look to our Heath and Kaiser Foundation cards where we explain why in the status quo, drug prices are literally causing a. High insurance costs and b. Lower coverage rates.
2. Look again to our case where the Atlantic in 2017 says even the insured can't afford medical bills due to copays.

A2A2 Higher prices causes better/more innovation

1. We already responded to innovation on their side of the flow.

A2A2 Price controls increase prices of generics

1. (Canada) This assumes a reference pricing control, which is a totally different and more unlikely system.
2. The drugs that are currently unaffordable are the high-priced brand names, not the significantly lower priced generics, so even if generic prices somehow *do* increase slightly, they're so cheap in the status quo that the impact is severely mitigated.

A2A2 Price controls → worse drugs produced → higher overall prices

1. The internal link here is innovation, and we've taken that out on their case.

A2A2 MIT 1%-4% Card

1. The problem with this card is that if the companies could be innovating smarter and turning a better profit, they would be doing so right now, which is why my partner and I contend this is not true.

A2A2 High prices are justified by innovation costs

1. Look to rebuttal where Kate reads the Hopkins/UChicago card. R&D only accounts for 6% of these companies' expenses, which absolutely cannot account for the drastic price inflation currently experienced.
2. (Lay) What my opponents are saying here is that since the high costs are justified, the 50 million Americans the Hill says can't get medication due to cost are also somehow justified, and I'd like to argue that's straight up amoral.

A2A2 Innovation

A2A2 How much do prices decrease/innovation

1. Prada of BMC found that in Colombia, price regulations decreased drug costs by 43%, and this in turn doubled company profits from increased sales because of more accessibility to drugs, proving if anything, innovation would increase.

Prada et. Al. 18 [Sergio I. Prada, Victoria E. Soto, Tatiana S. Andia, Claudia P. Vaca, Álvaro A. Morales, Sergio R. Márquez and Alejandro Gaviria, Centro PROESA, Universidad Icesi, etc. Higher pharmaceutical public expenditure after direct price control: improved access or induced demand? The Colombian case, 2 March 2018, Cost Effectiveness and Resource Allocation. BMC, part of Springer Nature.

<https://resource-allocation.biomedcentral.com/articles/10.1186/s12962-018-0092-0> RY]

Background High pharmaceutical expenditure is one of the main concerns for policymakers worldwide. In Colombia, a middle-income country, outpatient prescription represents over 10% of total health expenditure in the mandatory benefits package (POS), and close to 90% in the complementary government fund (No POS). In order to control expenditure, since 2011, the Ministry of Health introduced price caps on inpatient drugs reimbursements by active ingredient. By 2013, more than 400 different products, covering 80% of public pharmaceutical expenditure were controlled. This paper investigates the effects of the Colombian policy efforts to control expenditure by controlling prices. Methods Using SISMED data, the official database for prices and quantities sold in the domestic market, we estimate a Laspeyres price index for 90 relevant markets in the period 2011–2015, and, then, we estimate real pharmaceutical expenditure. **Results** **Results show that, after direct price controls were enacted, price inflation decreased almost – 43%, but real pharmaceutical expenditure almost doubled due mainly to an increase in units sold.** Such disproportionate increase in units sold maybe attributable to better access to drugs due to lower prices, and/or to an increase in marketing efforts by the pharmaceutical industry to maintain profits. Conclusions We conclude that pricing interventions should be implemented along with a strong market monitoring to prevent market distortions such as inappropriate and unnecessary drug use.

A2A2 Generic prices go up

1. Generics are getting more expensive in the status quo. Harvard Medical School in 2015 found that 400 different generic drugs have been subject to price increases of over 1000%.
2. Generics are poor quality. Harvard Medical School found in 2018, that the utilization of generics in emergency room visits resulted in an increase in future hospitalization.

CON Frontlines

A2A2 Companies get their break from the Government (NIH)

1. Still a linear impact
2. Cross: how much is the total value of the pharma industry? Significantly more than \$64bn

A2A2 Innovation

A2A2 Companies don't spend money on R&D

1. Look to the ITIF in case where historical precedent *in the US* specifically says that innovation gets cut at the mere proposition of price controls because these companies lose confidence in the stability of innovation spending and move to lower-risk spending in manufacturing.
 - a. [If they have European evidence] you'll prefer our ITIF evidence because it specifically looks at precedent in the US, whereas theirs doesn't.

A2A2 Price controls won't affect R&D because it'll affect marketing spending

1. Look to the ITIF in case where historical precedent *in the US* specifically says that innovation gets cut at the mere proposition of price controls because these companies lose confidence in the stability of innovation spending and move to lower-risk spending in manufacturing.

A2A2 R&D is already on the decrease

1. This is a linear impact, if it's on the decrease, it'll only decrease more, so look to case where we have plenty of cards that directly link price controls into our impacts.

A2A2 NIH is responsible for the majority of breakthroughs

1. The NIH conducts basic research but the pharma industry turns it into a drug and actually sells it. Without the pharma industry, basic research has no impact.

A2A2 US pharma has 21% profit margin so they'll still have money

1. It's a linear impact, if that 21% decreases to 15% then innovation still decreases.

A2A2 Canada

1. Canada has a very different system of regulating the pharmaceutical industry, so you should prefer our US evidence.

A2A2 Smaller countries with price controls produce more drugs per GDP than the US

1. GDP-proportional evidence doesn't mitigate our global impact multiplier because it's the total number of new drugs that affects worldwide cure rates.
2. Europe has a very different system of regulating the pharmaceutical industry, so you should prefer our US evidence.

A2A2 Smart innovation doesn't change with R&D spending (Ginsberg)

1. Smart innovation still increases in our world because the number of total drugs produced increases, it just makes sense that if more drugs are produced, more of them are bound to be innovative.

A2A2 Low-hanging fruit drugs are gone

1. The portion of diseases which haven't been cured and are affecting large swaths of the population are the ones that are relevant to this debate.

A2A2 More strategic innovation

1. Historically, when the threat of price controls manifests, they put their money into manufacturing, NOT innovation, that's the ITIF card we read you in case.

A2A2 Innovation won't be affected because pharma has a 21% profit margin

1. They assert here that 21% is enough to mitigate all effects, but you should be preferring our ITIF evidence from case that shows historically, even the thought of price controls was enough to decrease innovation spending by a billion dollars.

A2A2 High prices are unjustified

1. What's important to understand here is that our Lakdawalla card obviously outweighs, because he conducts a comprehensive study accounting for both

A2A2 Complacency

W CREATES > lower prices

W: Both the CREATES Act and price controls decrease prices for consumers in the short term.

What the CREATES Act does uniquely is it still retains the incentive for innovation in the long term. With price controls, companies know that their future drugs are still going to be sold with a

lower than desired price, thus leading them to cease innovating. However, with the CREATES Act, companies can innovate future drugs and know that they can sell them at a high price, incentivizing future innovation. Prices go down to the actual value of the DRUG, not pushing it down SO LOW that innovation stops.

A2A2 Give an issue attn cycle example

1. Post shootings last year, FIX NICS act.
2. War on Poverty - Office of Economic Opportunity

<https://www.nationalaffairs.com/storage/app/uploads/public/58e/1a4/b56/58e1a4b56d25f917699992.pdf>