

We affirm Resolved: The United States federal government should impose price controls on the pharmaceutical industry

Contention 1: Increasing Access to Medication

Over the past 10 years, prescription drug prices in America have skyrocketed.

These price hikes increasingly put critical prescriptions out of the reach of patients.

Health Day News reports that Nearly 1 in 10 American adults can't afford to take their medications as prescribed.

Luckily, price controls decrease costs in two ways.

Subpoint a is decreasing the cost for insurance

[Community Cares](#) notes that When drug prices increase, insurance providers often raise the amount consumers pay for their medications [in co-pays or premiums]

[Sara Heath](#) in 2018 explains High Drug Prices Account for One-Quarter of Patient Insurance Costs [more than any other factor]

Decreasing insurance costs is important because high prices disincentivize buying insurance.

[Chernew](#) of the University of Michigan finds that “rising health insurance costs are the dominant explanation for falling insurance coverage over time”

Critically, [Woolhandler](#) of Hunter College finds that Because insurance increases access to beneficial health services, those with insurance have a 26% lower chance of death than those without.

Subpoint b is improving access

When drugs cost less, more people can afford them.

[Levi of Ploos Journals](#) finds that price controls which set prescription drug prices 20% lower than the current list price would increase the number of users who can afford the drug by 23%.

This is critical, as CVS notes that that biggest factor behind patients failing to take medication is the cost of medication, which they explain directly causes 125,000 deaths annually.

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Contention 2: Pharmacy Benefit Managers

Pharmacy Benefit Managers, or PBMs, act as the middlemen between drug manufacturers, insurance companies, and pharmacies.

[Keller Rohrbach](#) continues that PBMs negotiate prices and create lists of preferred drugs that determine how much patients pay [and what drugs they can buy], which gives them power over the rest of the supply chain.

PBM's wield enormous power. Crow of the [Financial Times](#) notes that because these lists control what drugs are offered, **every drugmaker in the world has to negotiate with American PBMs if they want to sell their products [in America].**

This power allows them to exploit the drug pricing process, increasing drug prices.

In the status quo, [Leaf of Fortune](#) writes that drug makers raise their prices to allow PBMs to demand [more profit through] rebates on those drugs.

This increases prices and takes profits away from drug manufacturers. [Buckalew](#) of the American Academy of Orthopedic Surgeons finds that drug companies **only realized 39 percent of drug expenditures, meaning that 61 percent of profits are going somewhere else.**

A portion of this money is being kept by the middleman, the PBM's.

Fortunately, implementing price control would directly combat this problem

First, Because price controls are negotiated directly between drug companies and the government, they would eliminate the need for these PBMs in the first place.

[Bab](#) of Debevoise continues that **the only way that direct negotiations with drug companies could [be plausible], would be for the government to impose price controls**

Second, price controls would simplify the drug pricing process.

[Eban of Fortune](#) writes that many companies use PBMs because drug pricing is so impossible to untangle that customers have no way to verify how much they're saving.

Price controls would simplify complicated pricing procedures, eliminating the need for PBMs.

Removing PBM's can only occur with price controls.

[Balto of the Hill](#) explains that

No other country [with price controls] has a private system of intermediaries to handle drug reimbursement.

In these price control systems, no PBM is involved.

Eliminating PBMs is beneficial for a couple reasons.

First, They limit drugs on the market`

[Dayen of the Prospect](#) notes that **PBM lists exclude hundreds of drugs based on their profit margin.**

[Toich](#) of Specialty Pharmacy Times explains that **the [excessive] number of drugs included on exclusion lists leaves hundreds of thousands of Americans without access to proper treatment.**

Second, they drastically spike drug prices

[Dayen](#) explains that to make a profit, PBMs charge fees to pharmacies of up to 9 percent.

And continues **The higher the price of the drug, the [more money the PBM makes].**

Third, Dayen explains that PBMs may have contributed to the the opioid epidemic. **The manufacturers of OxyContin paid off PBMs to keep prescriptions flowing, and in exchange, PBMs [lowered the copays of OxyContin]. Overprescribing of OxyContin laid the groundwork for a crisis that killed more than 20,000 Americans in 2015.**

