David and I affirm Resolved: The United States federal government should impose price controls on the pharmaceutical industry.

Our Sole Contention is Ensuring the Price is Right

On September 16th, 2015, the price of Daraprim, a life saving drug commonly used to mitigate AIDS’ effects, cost $13 per pill. The next day, the only supplier of the drug jacked up the price to $750 per pill. To maximize profits, companies set life-saving medicines like Daraprim at astronomically high levels, leaving patients with no choice but to either meet the price or meet their death. Unfortunately, the unregulated market within the United States keeps us as an exception to the global norm, where regulations to protect the people remain absent. In fact, Jenna of the Hill reports in 2018 that Americans pay two to six times what the rest of the world pays for the same prescription drugs.

Luckily, a common sense reform can solve this uncommon problem. Investopedia explains in 2018 that price controls set the maximum price that a pharmaceutical company can sell a drug for, by creating a line of dialogue for the government to negotiate prices with the companies. Price controls historically lower prices, as Nordrum of the IBTimes reports in 2015 that countries with price controls’ drugs prices range from 18 to 67 percent lower than the US’s, depending on the drug. By decreasing the cost of drug prices, we can solve three extremely important problems.

First, we can make medicine more accessible. With current prices, patients with life-saving prescriptions are forced to go bankrupt to afford the high costs, which is why CNBC reports in 2014 that the single leading cause of bankruptcy in the US is medical bills. Other patients don’t fill up their prescription because they don’t have the means to. In fact, Brenza of Vice in 2018 reports that one in seven Americans don’t fill their prescriptions because they just can’t afford to, which the New York Times reports in 2017 causes 125 thousand deaths per year. For those who survive, they often end up hospitalized, leading to more bills for themselves and costing the US healthcare system between $100 billion and $289 billion a year.

Second, we can decrease the cost of health care across the nation. Gruber of MIT in 2018 puts it plainly: “Higher drug prices translate to higher health insurance costs for everyone.” This is because the American Health Insurance Plans finds in 2018 that 23.2% of the cost of healthcare is directly attributed to drug prices. By instituting price controls nationwide, we will be putting healthcare in reach for more americans.

Making healthcare more accessible is critical as the US Census Bureau reports in 2018 that 28.5 million Americans currently lack any healthcare whatsoever. Unfortunately, Wilper of Harvard finds in 2017 that Americans without healthcare have a mortality rate 40% higher than those with insurance, which is why he concludes that about 45,000 Americans die per year specifically because they did not have health insurance. By affirming, we can severely mitigate that number.

Third, we can save rural America. Currently, Pollack of the University of Chicago finds in 2018 that hospitals bear a heavy financial burden when the cost of drugs increases, because they are the ones who buy prescriptions and medicine in bulk. Unfortunately, this has implications to the entire hospital. Dennis of the Chicago Tribune writes in 2016 that hospitals run on razor-thin margins, and when anything upsets the sensitive system, the whole hospital is thrown off. As a result, Lupkin of Boston University writes in 2016 that hospital closures seem to be more common than ever before, and rising drug prices are responsible for much of the current trend.

Hospital closures have immense impacts, especially in rural areas. Currently, iVantage Health Analytics writes in 2016 that over 600 hospitals in rural areas are at risk of closure. If the status quo continues, these hospitals would be squeezed out of profits and forced into closure. This is problematic, as they write that these hospitals serve as “critical access” points of care to more than 62 million people in the country, and the loss of these hospitals would put thousands of lives at risk, 200,000 jobs lost, and a 300 billion dollar loss to our GDP over 10 years.