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

~~Dr.~~ [~~Jena~~](https://thehill.com/opinion/healthcare/369727-us-drug-prices-higher-than-in-the-rest-of-the-world-heres-why) ~~of the Harvard Medical School 18 explains that “price control policies are used to lower drug prices and exist in nearly all countries except the U.S. [usually taking the form of] regulations that limit the profitability of drugs through tools like reference pricing”~~

Sarnak, Dana. “Paying for Prescription Drugs Around the World: Why Is the U.S. an Outlier?”

“many other countries employ centralized price negotiations, national formularies, and comparative and cost-effectiveness research for determining price ceilings.

### Our sole contention is putting patients before profits

Drug Costs are skyrocketing in the status quo as [the Argus institute](https://www.dstsystems.com/-/media/Files/pdfs/AR-WP-TakingActionRisingGenericPrices.ashx)A recent analysis shows thousands of generic drug prices have increased **over the past several years**, Almost **400** generic **drugs [studied] grew in price by more than 1,000%, and** approximately **3,500** generic **drugs grew in price by more than 100%.**

[The Economist in May](https://www.economist.com/business/2018/05/10/americans-tired-of-high-priced-drugs-are-fighting-back) **finds cancer-drug prices rose from about $10,000 to over $100,000** per year in just over a decade to 2012. Further ahead, [**even worse,] a new generation of cures,** such as a gene therapy for haemophilia, **may cost more than $1m.**

Making drugs inaccessible for many americans.

This has lead to a drug affordability crisis, as the [PJI 2017](https://prescriptionjustice.org/press_release/45-million-americans-forego-medications-due-to-costs-new-analysis-shows-9-times-the-rate-of-the-uk/)

**About 45 million Americans did not fill a prescription in 2016 due to the costs of pharmaceuticals**, a new analysis by Prescription Justice shows, with 18% of adults reporting this problem in a recent survey. This rate of foregoing medicine due to cost is nine times higher than in the United Kingdom, where medicine is largely covered by national health insurance. The analysis conducted by Prescription Justice —a non-profit organization dedicated to tackling the crisis of high drug prices — is based on data extracted from the Commonwealth Fund’s 2016 International Health Policy Survey of Adults.

The scourge is big pharma - While pharma companies often claim they need the money to survive, in reality they have massive profit margins that bloat their wallets

Neera [**Tanden**](https://www.nytimes.com/roomfordebate/2015/09/23/should-the-government-impose-drug-price-controls/encourage-drug-research-over-profiteering-29) notes in the **New York Times** that, "pharmaceutical costs grew 13.6 percent – faster than any other part of the healthcare industry – and **pharmaceutical company profits were nearly 20 percent in 2012, double the average profit margin for [other] S&P 500 [companies]”**

Because of a lack of regulation, price hiking is rampant, causing us to pay far more than other countries for the exact same drugs.

For example, [Hirsch of Stat News](https://www.statnews.com/2018/05/17/insulin-paying-the-price/) finds that Other developed nations do not allow this. Outside of the U.S., insulin prices are negotiated by the government, not by private payers as happens here. Perhaps the most dramatic example is that **a box of** five pens of Tresiba, one of the newer **insulins**, has a retail price of about **[costs] $500 in the U.S., [but only $6 in Spain, which has price controls]****while in Spain that same box of pens is 5 Euros (about $6). The reason for the discrepancy is simple: No real price controls exist in the U.S., as they do in almost every other developed nation.**

The [Scientific American](https://www.scientificamerican.com/article/how-the-u-s-pays-3-times-more-for-drugs/) confirms that **U.S. prices for the world's 20 top-selling medicines are three times higher than in [Europe].**

However, Price controls in the U.S. would deflate these outrageous costs since companies can no longer charge markups when compared to other countries.

https://www.**nytimes**.com/2018/10/25/us/politics/medicare-prescription-drug-costs-trump.html

WASHINGTON — **President Trump[‘s] [The US’s price control plan, also known as reference pricing] proposed** on Thursday that Medicare pay for certain **prescription drugs** based on the **prices [based on the amount] paid in other advanced industrial countries — a huge change that could save money for the government and for millions of Medicare beneficiaries.** Mr. Trump’s announcement came a few hours after his administration released a government study that said Medicare was paying 80 percent more than other advanced industrial countries for some of the most costly physician-administered medicines.

[New England Journal of Medicine](https://healthpayerintelligence.com/news/employer-reference-pricing-lowers-prescription-drug-expenses) quantifies that price controls caused a 14% decrease in drug prices and a corresponding 7% increase in prescriptions filled.

The study analyzed changes in prescriptions and pricing for 1,302 drugs in 78 therapeutic classes in the United States before and after RETA began implementation of reference pricing. Researchers compared the trends to an employee union cohort that did not utilize **reference pricing [led to a]**. In comparison to the cohort union, the RETA Trust experienced **a 7-percent increase in prescriptions filled for the low-price reference drug, [and] a 14-percent decrease in average price paid,** and a 5-percent increase in consumer cost sharing.

Prefer this study over others because

1. ~~Massive scope - analyzed changes in prescriptions and pricing for 1,302 drugs in 78 therapeutic classes~~
2. It was done in the United States, making it more relevant than studies from other countries

**The first impact is affording drugs**

Caremark research explains that high Cost is the single Biggest Barrier to Medication Adherence

[Lohr 12-](https://www.ncbi.nlm.nih.gov/pubmed/22964778) because of incredibly high costs

“Studies have consistently shown that **20 percent [up] to 30 percent of medication prescriptions are never filled, and that approximately 50 percent of medications for chronic disease are not taken as prescribed,”**

[Jennifer Bresnick Health Analytics](https://healthitanalytics.com/news/cost-is-a-primary-driver-of-medication-non-adherence-rates)

**The high cost of prescription drugs is what drives 67 percent of patients [who don’t take their drugs] into medication non-adherence,** according to the latest Truven Health Analytics-NPR Health Poll, contributing to a multi-billion-dollar issue that is of particular concern for population health management initiatives. **Ninety-four percent of patients with incomes under $25,000 per year stated that they did not fill or pick up their prescriptions due to the expenses involved,** and more than 12 percent said that costs had led them to stop taking a medication before a provider recommended ending the treatment.

[Spikoff 09](https://www.managedcaremag.com/archives/2009/10/improved-adherence-highlights-specialty-pharmacy%E2%80%99s-potential) - this nonadherence

The study states that nonadherence **results in 1.1 million deaths a year [and costs the country[.** Furthermore, research demonstrates that nonadherence can add significantly to overall medical costs. A New England Healthcare Institute report published in August 2009 states that across all drug classes, the cost of poor adherence, measured as “otherwise avoidable medical spending,” is **$290 billion a year**, which is 13 percent of the nation’s total health care expenditures. Through an evaluation of published studies, the NEHI found that nonadherence to medication therapy results in:

**“[Simply put,] Drugs don’t work in patients who don’t take them.**”

[Vivian Ho US News](https://www.usnews.com/opinion/policy-dose/articles/2016-12-12/the-harm-of-high-drug-prices-to-americans-a-continuing-saga)

High drug prices are harmful. Medical costs and out-of-pocket expenses result in high rates of bankruptcies, and 10-25 percent of patients either delay, abandon or compromise treatments because of financial constraints**. Survival is also compromised. For example, in chronic myeloid leukemia, the 5 year survival rate is 20 percent higher in Europe where [they have price controls and] treatment is universally affordable than in the US where 78 percent of Americans worry about drug costs. 8-10 year survival rate is 80 percent in Europe (where treatment is universally affordable); in the U.S., where finances may limit access to drugs, the 5-year survival is 60 percent.** In surveys, 78 percent of Americans worry most about costs of drugs.

#### The second impact of cheaper drugs is affordable insurance

Rising drug prices cause premiums to spike

https://www.**ahip**.org/prescription-drugs-are-largest-single-expense-of-consumer-premium-dollars/

**Rising prescription drug costs account for more than 22 percent of every insurance premium dollar –** outpacing physician, inpatient, and outpatient hospital services. This figure would have been even higher if medications administered during inpatient hospital stays were included.

[Michael Chernew Health Services Research](https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1475-6773.2005.00409.x)

. More than half of the decline in coverage rates experienced over the 1990s is attributable to the increase in health insurance premiums (2.0 percentage points of the 3.1 percentage point decline). Medicaid expansions led to a 1 percentage point increase in coverage. Changes in economic and demographic factors had little net effect. **The number of people uninsured could increase by 1.9–6.3 million in the decade ending 2010 if real, [medical costs increase by 1 to 3 percent] er capita medical costs increase at a rate of 1–3 percentage points, holding all else constant.**

[David Cecere harvard university](https://news.harvard.edu/gazette/story/2009/09/new-study-finds-45000-deaths-annually-linked-to-lack-of-health-coverage/) **Uninsured**, working-age **Americans have 40 percent higher death risk than privately insured counterparts, causing nearly 45,000 annual deaths** are associated with lack of health insurance,

**Don’t make Families choose between putting food on their tables and getting their medications.**

**Affirm.**

**The third impact is superbugs**

Stagnant high drug prices stall innovation for future medical developments

[Bach](https://www.forbes.com/sites/matthewherper/2014/10/23/could-high-drug-prices-be-bad-for-innovation/2/#407e7d892f3f) 14 (Peter, Director of the Center for Health Policy and Outcomes, Memorial Sloan Kettering Cancer Center, member of the Institute of Medicine’s Board on Health Care Services, “Could High Drug Prices Be Bad For Innovation?” Forbes, October 23, 2014,

I think its high drug prices. The Federal Medicare program, and most private insurers, must include new cancer drugs on formulary regardless of their price or the existence of cheaper alternatives. And as the industry has continued to test the waters with higher and higher prices, its gone swimmingly but for a few pointed editorials and stories of patients driven into bankruptcy. **With high prices available to every new drug for cancer, companies are stumbling over one another in a race down a well trodden molecular road to profits. That makes pursuing high risk innovation a less attractive option, even though that will be how we get novel drugs that tackle unmet needs.** Drugs that will rely on mechanisms that today still seem

It’s an immediate risk- an antibiotic apocalypse is coming and high prices prevent development of new treatment options

Outterson 15 (Kevin, professor of health and corporate law at Boston University and co-director of Boston University’s Health Law Program, editor-in-chief of the Journal of Law, Medicine & Ethics, faculty co-advisor to the American Journal of Law & Medicine, member of the Board of the American Society of Law, Medicine & Ethics, “The Puzzle of Antibiotic Innovation,” Health Affairs, February 3, 2015, <http://healthaffairs.org/blog/2015/02/03/the-puzzle-of-antibiotic-innovation/)>

Dame Sally Davies, the Chief Medical Officer of England, warns that we are

AND

make it out of the lab and into the patients who need them.

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