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PART D PRESCRIPTION COSTS

Part D is only one of the issues the drug industry pushes in Washington, it is a blockbuster program. According to a report from the trustees of the Medicare system, this year Part D is expected to spend \$103 billion to serve an estimated 43 million Americans.

A paper release in August by Harvard Medical School researchers cited the size of the program and its lack of government negotiating clout as among the reasons why Americans pay the highest prices in the world for prescription drugs. A co-author of that paper, Ameet Sarpatwari, estimates that Part D accounts for nearly 30 percent of the nation's spending on prescription drugs.

What's more, Part D often pays far more for drugs than do Medicaid or the Veterans Health Administration – which, unlike Part D, mandate government measures to hold down prices. One report found that Part D pays 80 percent more for medicines than the VHA and 73 percent more than Medicaid. While researchers aren't unanimous in their views, an array of experts have concluded that federal negotiating power – if backed up by other cost controls – would bring Part D drug costs more in line.

There are far more lobbyists in Washington working for drug manufacturers and wholesalers than there are members of Congress. Last year the industry retained 894 lobbyists to influence the 535 members of Congress, along with staffers and regulators. From 2007 through 2009, there were more than two drug industry lobbyists for every member of Congress.

For each of the last 13 years, more than 60 percent of the industry's drug lobbyists have been "revolvers" – that is, lobbyists who previously served in Congress or who worked as congressional aides or in other government jobs. That raises suspicions that lawmakers and regulators will go easy on the industry to avoid jeopardizing their chances of landing lucrative lobbying work after they leave office.

Probably the most notorious example was the Louisiana Republican Billy Tauzin. He helped shape the Part D legislation while serving as chairman of the House Energy and Commerce Committee. In January 2005, just days after he retired from the House, he became the drug industry's top lobbyist as president of a powerful trade group, the Pharmaceutical Research and Manufacturers of America, or PhRMA. He remained in that job – which reportedly paid him \$2 million a year – until 2010.

Over the period from 2015-mid 2016 four lawmakers received more than \$1 million in contributions from drug companies. (One of them, former House speaker John Boehner, who resigned last October). In all 518 members of the current Congress – every member of the Senate and more than 95 percent of the House – have received drug industry money since 2003.

The drug industry "knows that you really only need, in many cases, just a small number of influential members to do the bidding. That's why you see contributions flowing to committee chairs, regardless of who is in power. They flow to Democrats as well as Republicans.

MEGABUCKS FOR LOBBYING

The drug industry rivals the insurance industry as the biggest spender on lobbying in Washington. Here are the drug industry's top 10 spenders on federal lobbying from Jan 1, 2003 through mid-2016. During that period, the industry spent about 13 times more on lobbying than on political donations.

<u>Company</u>	<u>Federal Lobbying Spending</u>	<u>Federal Political Donations</u>
Pharmaceutical Research & Manufacturers of America	\$261,462,800	\$2,050,816
Pfizer Inc	\$148,959,91	\$14,650,120
Amgen Inc	\$127,145,000	\$10,918,097
Eli Lilly & Co	\$99,891,110	\$7,177,066
Merck & Co	\$82,183,146	\$8,379,548
Novartis AG	\$82,183,146	\$3,373,050
Glaxo-Meyers Squibb	\$55,460,776	\$2,259,752
Bayer AG	\$55,458,453	\$2,043,595
Sanofi-Aventis	\$53,120,834	\$2,735,767

WHO GETS THE MONEY?

<u>Years</u>	<u>Amount</u>	<u>Recipients</u>	
		<u>Dem/Liberal</u>	<u>Rep/Conservative</u>
2015-mid 2016	\$24,288,870	37%	63%
2013-2014	\$21,739,156	41%	59%
2011-2012	\$28,556,704	34%	66%
2009-2010	\$22,187,590	42%	58%
2007-2008	\$21,151,377	48%	51%
2005-2006	\$16,325,221	28%	71%
2003-2004	\$147,489,772	38%	62%

Note: Some percentage totals do not come to 100% because certain donations did not fit into the Democratic/Liberal or Republican/Conservative categories. Sources: Center for Responsive Politics and Fair Warning

