

# Five Deadly Sins of Big Pharma

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by

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A pharmacist holds a package of EpiPens epinephrine auto-injector, a Mylan product, in Sacramento, Calif., last month. Mylan said it will make available a generic version of its EpiPen, as criticism mounts over the price of its injectable medicine. (Photo: Rich Pedroncelli/AP)

For Mylan, it was a perfect plan—diabolical, unstoppable. The company made [changes](#) in its anti-allergy EpiPen dispenser in 2009, enough to give it [patent](#) protection. Then, in 2012, it began to give away free pens to [schools](#), gradually making school nurses at least partly dependent on them. Meanwhile the company was successfully lobbying for the "Emergency Epinephrine Act," commonly referred to as the

"[EpiPen Law](#)," which encouraged the presence of epinephrine dispensers in schools. Most recently, after raising the price from \$100 to \$600, Mylan [announced](#) a *half-price* coupon, making itself appear generous even though the price had effectively *jumped from \$100 to \$300*.

This is capitalism at its worst, a greedy and disdainful profit-over-people system that leaves millions of Americans sick... or dead. These are the sins of the pharmaceutical industry.

### **1. Gouging Customers**

The Mylan story is just one of many. An American with cancer will face [bills](#) up to \$183,000 per year, even though it [hasn't](#) been established that the expensive treatments actually [extend lives](#). A 12-week course of Sovaldi, for hepatitis, costs Gilead Sciences about \$84 and is priced at [\\$84,000](#).

This is an industry that can suddenly impose a [60,000% increase](#) on desperately ill people. Yet the pharmaceutical industry's profit margin is matched only by the unscrupulous [financial industry](#) for the highest corporate profit margin.

### **2. Disposing of People Who Can't Afford Medication**

A Forbes writer [summarizes](#): *"Somewhere, right now, a cash-strapped parent or budget-limited patient with a severe allergy will skip acquiring an EpiPen. And someday, they will need it in a life-threatening situation...and they won't have it. And they will die."*

A recent [Health Affairs](#) study concluded that since 2004 our medical dollars have been "increasingly concentrated on the wealthy." As a result the richest 1% of American males live nearly [15 years longer](#) than the poorest 1% (10 years for women). The high cost of medication is one of the factors leading to early death.

### **3. Gouging Us a Second Time**

We're paying twice for outrageously overpriced medications, both directly and with our tax dollars. The average medical insurance deductible has increased [67 percent](#) since 2010, and most Medicare patients still face [out-of-pocket costs](#) of \$7,000 or more a year.

Over \$5 billion of our tax dollars was [spent](#) by Medicare and Medicaid in 2014 on just two drugs (Sovaldi and Harvoni). Pharmaceutical lobbyists have rigged the system to prevent Medicare from [negotiating](#) for lower drug prices.

Not satisfied with Medicare-related abuses, Purdue Pharmaceuticals began [targeting](#) troubled post-9/11 veterans with expensive and addicting opioid medications, and within ten years a third of the Army's soldiers were hooked on prescription drugs.

#### 4. Stealing Our Research

The pharmaceutical industry receives most of its [basic research](#) funding from the taxpayers, and 75 percent of the most [innovative drugs](#) were initially funded by the National Institutes of Health.

Dean Baker [notes](#) that the U.S. is unique in giving drug companies patent monopolies on drugs that are essential for people's health and lives. An example is genetically engineered [insulin](#), which due to patent protection cannot be made generically, and as a result can [cost](#) a patient up to \$5,000 a year, many times more than a [patent-expired](#) version. Another example is the anti-parasite drug [Daraprim](#), which has been on the market for 62 years, yet was appropriated by the now-infamous Martin Shkreli and price-hiked from \$13.50 to \$750.00.

A common excuse for pharmaceutical greed is the cost of research and development. But the industry spends almost \$20 on [marketing](#) for every dollar spent on [R&D](#). Meanwhile, Big Pharma has [cut](#) nearly 150,000 jobs since 2008, mostly in R&D.

#### 5. Cheating on Taxes

[Three](#) of the world's [largest](#) pharmaceutical companies, with over \$20 billion in combined profits last year, claimed nearly \$9 billion in U.S. [losses](#) despite having nearly half their sales in the United States.

Other major drug companies use the notorious *inversion* procedure to skip out on taxes. [AbbVie](#) has done it. Pfizer tried. And [Mylan](#), along with all its other transgressions, ditched the U.S. for the Netherlands, despite having its employees and facilities in West Virginia. Adding a further touch of hypocrisy, Mylan

sought U.S. government [help](#) when another company tried to buy it out.

Patriotism is a beautiful thing to corporations when it protects their profits.

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