

*The Truth*  *About Health*

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## HOW DRUG COMPANIES DRIVE UP CONSUMER COSTS AND MAKE HUGE PROFITS

Vol. 8 Issue 126

The one question the pharmaceutical industry constantly avoids is being raised by Marcia Angell, senior lecturer in social medicine at Harvard University Medical School: Why do pharmaceuticals charge Americans far higher prices for prescription drugs than in other countries?

Angell, a physician and former editor of the *New England Journal of Medicine*, explains why “Big Pharma” has been given so much power in her new book, “*The Truth About the Drug Companies: How They Deceive Us and What to Do About it.*”

During a recent interview, she explained Big Pharma’s extraordinary influence in Washington — “with more lobbyists at times than there are members of Congress...”

Angell also dispelled the myth that high drug costs cover safety and efficacy research. “The big drug companies spend at least twice as much on ‘marketing and administration’ as on research,” she said. “This includes advertising, promotion, huge executive salaries, legal and lobbying costs, and ‘educating’ doctors about the new drugs.”

In 2002, the FDA approved 78 new drugs, of which only seven were truly innovative, which means they contained a new active ingredient and showed promise to surpass the effects of other drugs used to treat the same condition.

Of all the drugs approved by the FDA in the last six years, 78% were classified as unlikely to be better than existing ones; 60% didn’t contain new active ingredients — they were just old drugs in slightly different forms,

which results in generous PR for the companies, exclusive rights, tax breaks and high profits for basically doing nothing new. The companies use these profits to promote the new drug as better and more effective than its counterparts.

Because the company’s only requirement is that a new drug has to be more effective than placebo — or better than nothing — this encourages them to produce even more variations of drugs to treat the same conditions.

In some cases there are six to eight variations of the same drug.

While drug companies plan for and pay for the tests, they are also responsible for analyzing and publishing the results, leaving a lot of room for biased, one-sided reporting.

SOURCE: AARP News Bulletin, September 2004.