



## PHARMACEUTICALS 'BUY' CONGRESS AND 'GOUGE' CONSUMERS FOR PROFIT

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Pharmaceutical companies spent nearly \$75 million during the 1997-98 election cycles for federal campaign contributions and "soft" money donations, lobbying Congress and the President. During that time, pharmaceutical companies' profits reached some \$25 billion dollars and CEO compensations totaled \$196 million.

Such profits are the result of charging people "full-sticker price" for prescription drugs — at nearly twice the amount pharmaceuticals charge other groups for these same drugs, such as large HMO's. People on Medicare are forced to pay for these out-of-pocket unless they are hospitalized. One such pharmaceutical company is Merck, who's 144% price mark-up for their high cholesterol drug, Zocor brought in a \$5.2 billion profit, a \$16.6 million compensation for CEO's and a \$10.6 million contribution to Congress.

Pfizer wasn't far behind, with the 93% price mark-up for their high blood pressure drug, Norvasc, which brought in a \$3.3 billion profit, \$37.3 million compensation for CEO's and nearly a \$20 million contribution to Congress.

Other companies include: Bristol-Myers Squibb (\$3.6 billion profit, \$31.4 million CEO compensation, \$7.4 million contribution to Congress); Johnson & Johnson (\$3.4 billion profit, \$6.9 million CEO compensation, \$3.4 million contribution to Congress); Eli Lilly (\$2.0 billion profit, \$13.6 million CEO compensation, \$9.8 million contribution to Congress); and Warner-Lambert (\$1.2 billion profit, \$22 million CEO compensation, \$3.7 million contribution to Congress.)

SOURCE: "Buy Congress," Center for Responsive Politics; "Company Profits," 1999 Annual Reports CEO

Compensation, AFL-CIO Executive Paywatch; "Prescription Drug Pricing in the U.S.: Drug Companies Profit at the Expense of Older Americans," Minority Staff Report, Committee of Government Reform, U.S. House of Representatives, October 20, 1998.