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U.S. REP. TOM ALLEN

Congressman takes aim at pharmaceutical firms

● If there's a prescription benefit for Medicare, taxpayers should be assured of fair prices for drugs.

If the Pharmaceutical Research and Manufacturers Association could pick one member of Congress for defeat in 2002, we're pretty sure they'd choose our own U.S. Rep. Tom Allen.

Allen has been a persistent critic of the prescription drug industry, and while that may drive the lobbyists crazy, it should make his constituents proud.

Drug companies are among the more profitable corporations in the world. They benefit from a system that provides government subsidies for research and then gives them exclusive rights to sell much-needed medications.

On Monday, Allen stood with Public Citizen, a consumer advocacy group founded by Ralph Nader, in releasing a study that

found that drug companies don't spend as much to develop the average drug as has been claimed.

While the Public Citizen study looked at a fairly narrow universe of pharmaceutical products, its findings should at least give reason to be skeptical of the industry. Looking at the five best-selling drugs of 1995, the group found that the government paid 55 percent of the research and development costs of those drugs.

Factor in tax breaks for R&D, and claims that it costs the industry \$500 million to develop a drug don't hold up. The study suggested it costs companies closer to \$110 million to develop a new product.

Allen was right to point out that, as the government weighs whether to provide a prescription drug benefit for Medicare, it can't ignore price gouging. Any drug benefit for older Americans should include mechanisms to assure taxpayers that they're paying a fair price for prescriptions.