



August 10, 2009 - Topic: Health Care Reform

## Drug Industry To Spend \$150M on Ads in Support of Health Reform Efforts

The pharmaceutical industry has authorized its lobbyists to spend about \$150 million on television advertisements supporting health reform, people close to the issue said on Saturday, the *New York Times* reports.

Top officials of the Pharmaceutical Research and Manufacturers of America are scheduled to meet this week to finalize plans for the fall, according to unnamed sources who were briefed on the group's plans (Kirkpatrick, *New York Times*, 8/9). Sources said the total cost of the campaign would likely be \$150 million but could go as high as \$200 million (Espo, *AP/San Francisco Chronicle*, 8/9).

Ken Johnson, a spokesperson for PhRMA, did not discuss specific costs for the campaign but said it would include grassroots outreach and traditional ads. The ads are set to begin running over Congress' August recess.

According to the *Times*, the pharmaceutical industry so far has contributed millions of dollars to advertising campaigns for health reform through advocacy groups like Families USA and Healthy Economies Now.

### Details of Deal Still Unclear

The "unusually large-scale" campaign "helps explain some of a contentious back-and-forth playing out in recent days" over the drug industry's pledge to contribute \$80 billion over 10 years to health reform costs, the *Times* reports.

Some Democratic lawmakers have criticized the deal, which the White House reached with the industry, because it could limit any additional savings they could seek from drugmakers (Kirkpatrick, *New York Times* 8/9).

On Wednesday, PhRMA President Billy Tauzin said the deal precluded lawmakers from including provisions on drug price bargaining or additional drug price rebates.

While White House officials last week had said that the deal meant health reform legislation would not include a proposal to allow the federal government to negotiate Medicare drug prices, lawmakers said officials told them in a private meeting that there was no such agreement, the *Times* reports.

Later on Friday, Linda Douglass, communications director for the White House Office of Health Reform, said the issue of drug price negotiation was not discussed with the drug industry.

Speaking for PhRMA, Johnson said, "All of the questions about what was in the agreement distract from our shared goal of making sure everyone has access to health care coverage" (Kirkpatrick, *New York Times*, 8/8).

### Editorial, Letter to the Editor

Summaries of a *San Francisco Chronicle* editorial and letter to the editor in the *Times* on the deal appear below.

- ***San Francisco Chronicle*** : Obama's deal with the drug industry is "disturbing not only because it may be leaving tens of billions of dollars on the table that could help offset the cost of universal coverage, but also because it flies in the face of his oft-stated commitment to transparency in the development of this

program," the editorial says. The cost of pharmaceuticals is a "significant factor in health care inflation," the editorial says, concluding that Congress "should not be deterred from demanding further concessions from the pharmaceutical industry" (*San Francisco Chronicle*, 8/10).

- Nancy LeaMond, *New York Times*: While AARP is "glad to see the brand-name pharmaceutical industry reaffirm its support for fixing the health care system and beginning to close the Medicare doughnut hole," the group "has no plans to stop there," LeaMond -- executive vice president of AARP -- writes in a *Times* letter to the editor. AARP is "continuing to support measures that would close the doughnut hole over time," including provisions to increase generic drug presence in the market, import expensive drugs from other nations and allow the government to negotiate drug prices for Medicare beneficiaries, LeaMond writes (LeaMond, *New York Times*, 8/10).

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