

EpiPen Price Hike: Time to Loosen Big Pharma's Grip

By now you've heard the frantic buzz around the cost of EpiPens. If you're like me, you've wondered why people are outraged. You may even wonder if prices are any lower here in Canada.

After a bit of digging I want to tell you what I discovered. And why I think it matters. But first...

Allergy Sufferers Need EpiPen

It resembles a hypodermic needle, and comes pre-filled with the hormone Epinephrine (adrenaline). In emergencies, it potentially saves lives of both adults and kids with allergies. They swiftly jab themselves in the thigh with EpiPen when a strong allergic reaction hits.

Anaphylactic shock is a severe reaction. According to the Mayo Clinic, common triggers are peanuts, some medications, bee stings and even latex. Time can be critical. It can overcome a person seconds...or hours after triggered. So you want to be ready!

You might wonder how the EpiPen became a lifeline for legions of people across North America. Two main reasons are:

- 1 - It's so easy to use that parents train children to use it
- 2 - Mylan's aggressive marketing campaign

Mylan Exploited The Need

Millions of families across America need life saving pharmaceuticals. EpiPen is one of them.

In 2007 Mylan Pharmaceuticals bought EpiPen, a decades-old, little known device in the U.S. According to Bloomberg, they used marketing strategy to create a widespread need for the device.

They began to lobby on Capitol Hill. They pushed for the EpiPen to be put in *all* public schools across the country. Guess what happened?

The Feds complied and U.S. Congress passed a bill allowing Mylan to stock schools with their device. Parents of course jumped on board, supporting the move. Once the deal was sealed, Mylan started raising the price of EpiPen.

The price of a twin pack was \$57 in 2007. Two years later they hiked the price up to \$100. Now, seven years on, that twin pack costs, on average, \$600 in the US. That's close to 500% more!

Screams of Outrage

One outraged parent is Deirdre Davis Gaspari. Her child, she says, needs EpiPen. At the centre of Gaspari's anger is that the Epinephrin in each device expires after one year. People who keep them on hand for emergencies, then, must regularly buy new EpiPens.

The mother posted on Mylan's Facebook page about two weeks ago that she has "a high deductible health plan and (is) expected to pay about \$700 to refill the devices...This is a disgrace and (is) unethical".

Gasperi then called for an investigation into the pricing of EpiPen.

The big news outlets have been covering the story, too. NBC tweeted "the price of saving your child's life has gotten a lot more expensive."

Word traveled fast. August 18th Bernie Sanders tweeted August that the EpiPen costs Mylan "just a few dollars to make" and there is "no way it should cost families" as much as it does.

Hillary Clinton tweeted nearly a week later. But she was already concerned that Americans face increasingly high medical costs. She has said for some time that Big Pharma needs to keep prices from skyrocketing.

"EpiPens can be the difference between life and death," Hillary tweeted, "there's no justification for these price hikes."

The same day Andrew W. Gurman, M.D., the president of the American Medical Association, published a statement on his website:

"The AMA has long urged the pharmaceutical industry to exercise reasonable restraint in drug pricing, and, with lives on the line, we urge the manufacturer to do all it can to rein in these exorbitant costs."

Canadian Government Regulations Protect *Who*?

Government regulations in Canada are often *the bane of our existence*. Most property owners here would agree. To make *any* changes to a property is insane - the process of getting a mandatory license long and expensive. Even building a treehouse for your kid requires a license! And it's not easy to avoid this kind of red tape. Regulations control most industries.

In the pharmaceutical industry, proposed prices have to pass the scrutiny of a federal review board. This is how the government controls the pricing of prescribed drugs. That's not the only way Canadians are led to believe they won't see a price hike of EpiPen.

CBC News says Pfizer Canada, distributor of EpiPen in Canada, assured people "the price has not changed and there are no plans to do so."

Pricing in the Canadian pharmaceutical industry, in short, is not black and white. Unlike in the U.S. where drug companies dictate their own pricing. The Canadian regulatory board is meant to ensure that prices remain affordable. But drug prices are increasing in this country too.

Canadian Patents and Drug Pricing

So are we *really* better off in Canada? People who believe we *are* might want to take a closer look. I want to tell you why. But first let's think about patents.

A report published online in 2010 by the U.S National Library of Medicine, (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3146086/>) has a concise definition of patents. It states a patent is "a legal device" that gives the inventor 100% control in the marketplace over a new invention or medication.

This can mean high profit margins for the patent holder. Here's the kicker. The patent gives the inventor a monopoly over the invention for 20 years.

The Toronto Star reported on December 21, 2015 that Canadians already pay more for patented drugs than people in France, the U.K., Italy, Sweden, and Switzerland.

Even so, the Canadian government decided to protect the industry with even stronger protections than it already had. Patent protection. This more or less guaranteed higher prices for us, which we are seeing now.

A report by Patent Medicines Panel Review Board (PMPRB) stated that: (link to <http://pmprb-cepmb.gc.ca/home>)

In 2005, Canadian prices were, on average, approximately equal to or below corresponding prices in all (countries studied) other than Italy. By 2014, Canadian prices were decidedly above prices in the United Kingdom, France and Italy, and somewhat higher than prices in Sweden and Switzerland.

Here's the kicker. In the past 12 years Canada has spent far more on drugs than all other countries in the study, including America. In fact, drug spending in this country has grown by 184.4%.

Industry Digs in Heels

CEO of Mylan, Heather Bresch, has a salary that reflects the inflated price of EpiPen. It's reportedly risen from \$2.5 million in 2009 to \$19 million in 2015!

According to Bloomberg reporter Toluse Olorunnipa, this kind of investigation usually starts with the CEO being "hailed up to Capital Hill and forced to explain why they hiked up the prices of these life-saving drugs."

That hasn't happened. Did I mention Heather's father is Senator Joe Manchin?

Bresch claims she's like other parents who only want to keep their children safe with EpiPen. This is where she loses credibility. Bresch *has* the power to change the pricing on Mylan's EpiPen.

Instead, she announced that Mylan is committed to ensuring low income families get the devices they need. That's it. No mention of pricing.

Bresch's position echoes many other decision-makers in the industry. People who *could* bring change but don't.

According to Bloomberg, a massive damage control campaign is underway. The president and CEO of pharmaceutical lobby group BIO, Jim Greenwood, is spending "low- to mid-seven digits" (about \$1 million to \$5 million) on ads. In defence of the industry's price gouging. The campaign is an attempt to clean the soiled image that now plagues the industry.

The Silver Lining

This debacle shows the power of pharmaceutical companies. And the sense of entitlement held by some CEOs. Whether in Canada or the US, we consumers are in a precarious position. Particularly when we rely on lifesaving drugs.

But a glimmer of hope exists too. Brent Saunders, president and CEO of Allergan Pharmaceuticals, promises responsible pricing going forward. In a September 6th blog post, (link to it) he calls what's been happening "predatory price increases".

Mr. Saunders is clearly a man with a conscience. He calls on other decision-makers in the industry to join him and "make business decisions that ultimately improve wellbeing, and as a result, address the hopes others place in us."

Loosen Pharmacy's Grip

How can we avoid the hands of fate? We can't. But fate isn't always a grim reapers cloak. Benjamin Franklin was onto something when he said "An ounce of prevention is worth a pound of cure."

But how can we possibly prevent degenerative diseases? Isn't that just the luck of the draw? Yes and no. By chance we can be predisposed to certain diseases. That doesn't mean there's no hope. I still try to prevent disease with a healthy diet and lifestyle.

My lifestyle, in fact, includes always being on the lookout for alternative methods of treating illness and conditions. It's not realistic to say we can avoid pharmaceuticals altogether. We shouldn't even try. We need antibiotics for infections. It's a well known fact that lung infections quickly become pneumonia without pharmaceuticals.

What It Means For You

So what can you do if you or a loved one needs EpiPen? In Canada, as I mentioned above, prices aren't expected to increase.

In the U.S. Mylan Pharmaceuticals says a generic EpiPen will hit the market by late 2016 for \$300. Meanwhile, try these money-saving options:

- ask your doctor about alternatives
- find websites that have discount coupons
- compare prices at various drug stores
- get a 0% copay card (link this to <https://www.epipen.com/copay-offer/>)(save up to \$100 per prescription with your private insurance)

Has the EpiPen price increase in America had an impact on your life? Has it impacted the life of anyone you know? If so, I'd love to hear about it below in the comment box. Otherwise, I'd appreciate general comments about this article or the topic.

Cite:

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