

# The High Cost of Health



## Lobbying and Political Contributions by Health Care Companies

Americans pay more for their medicine than anyone else in the world – prices for the world’s top-selling 20 drugs are three times higher in the U.S. than in England, and two times higher than in Canada. Traditionally, drug companies have placed the blame for these high prices on the expensive and time-consuming process of bringing a new drug to market through research and development.

ICCR members make a different argument. “We believe that access to health care is a human right, and expect the pharmaceutical companies we hold in our portfolios to find ways to bend the cost curve to improve access and affordability for consumers,” said Donna Meyer of Mercy Investment Services. “Further, we believe reasonable drug pricing will prove to be more profitable for drug companies, in the long run.”

Pharmaceutical companies, health insurers, and medical device manufacturers lobby heavily on issues related to health care, donating significant and often undisclosed sums to political candidates, parties and action committees that in turn, promote public policy and legislation that protects their interests. In 2015, pharmaceutical companies spent over \$231 million in lobbying activities — more than any other industry. This flood of corporate money is just one of the legacies of the Supreme Court’s 2010 *Citizens United* decision.

Most pharmaceutical companies are members of industry groups like the Pharmaceutical Research and Manufacturers of America (PhRMA) and the Biotechnology Industry Organization (“BIO”). In 2009, PhRMA and its member companies spent an astounding \$40 million lobbying Congress to prevent the passage of the Affordable Care Act – more than \$3 million each month.

Many drug companies are also members of the conservative model legislation group the American Legislative Exchange Council (ALEC). ALEC has sought to privatize both Medicare and Medicaid, and repeal important laws that would expand access to health care.

“We question whether healthcare companies’ maintaining membership in ALEC is truly consistent with their missions and values,” said Judy Byron, Coordinator of the

conservation and rely more on renewable energy sources, the health care sector still must do more to reduce its collective environmental footprint. If hospitals commit to making the necessary changes, they will not only improve the overall health of staff, patients, and communities –they can also save an estimated \$15 billion over the next decade.

Although progress has been slow, more and more hospitals are recognizing the

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Northwest Coalition for Responsible Investment. “In addition, transparent reporting of lobbying activities would reveal to shareholders whether company assets are being used for objectives contrary to our companies’ publicly-stated interests.”

Throughout 2016, members of ICCR plan to engage 10 companies, including Abbott Laboratories, Bristol-Myers Squibb, and Pfizer, to ask for increased transparency regarding their drug pricing strategies. These dialogues will supplement the four resolutions members filed at AbbVie, Anthem, Pfizer and Philip Morris in late 2015, questioning their membership in the Chamber.

## Climate Change as a Health Care Issue

Climate change is a critical public health issue – one that hospitals need to address. Every year, U.S. hospitals emit 8 percent of the nation’s greenhouse gases, generate more than 5.9 million tons of waste, and spend more than \$6.5 billion on energy costs. While many hospitals are beginning to adopt more climate-friendly policies that promote energy

importance of going green and are instituting sustainable practices. In fact, during the recent COP21 Conference on Climate Change, Health Care Without Harm announced that 67 organizations, representing 8,200 hospitals and health centers in 16 countries, had pledged to reduce their carbon emissions by 2020.

Helping to get us there is ICCR member Dignity Health, which was awarded multiple silver medals in the 1st annual Climate Champion Awards of the 2020 Health Care Climate Challenge, which measures institutional progress on climate mitigation, resilience and leadership. “As leaders in health care, we share a mission to protect our patients and help our communities live healthier lives. And increasingly, our patients are beginning to expect and demand that we make sustainability a priority. As an industry and a ministry, we have a moral responsibility to address climate change head-on,” said Susan Vickers, RSM, vice president for corporate responsibility at Dignity Health.