Students share pharmacy education with public through print commentaries

Idaho State University College of Pharmacy students have something to say, and when it’s in print in one of Idaho’s newspapers, the subject usually relates to lessons from the classroom. Recently, several student have taken to task their writing skills and submitted health care-related editorials to several Idaho weekly and daily newspapers. Teamed with a faculty member to ensure accuracy, the student’s op-ed pieces may be seen in print from Pocatello to the Treasure Valley.

The following is one of the editorials written by first-year student, Jo Kiester and Dr. Cathy Heyneman, Pharm.D., associate professor at Idaho State University College of Pharmacy.

To read additional student/faculty editorials, visit the College Web site at: www.pharmacy.isu.edu

The link to the editorials is on the home page.

Innovative drugs harder to discover, increasingly expensive to develop

By Jo Kiester & Cathy Heyneman

Prescription drug spending in the U.S. is becoming an increasingly bigger piece of the national health care spending pie. Why are drugs so expensive in the United States? The primary argument given by pharmaceutical companies for high drug costs is the “research ultimatum.” This means huge profits are needed to put money into the highly expensive research and development process, which in turn leads to new drug development.

A recent government study conducted by the Department of Health and Human Services (HHS) examined the financial reports of nine major pharmaceutical companies. The HHS reported that an average of 11% of profits was dedicated to research and development, compared to 27% allocated to marketing, advertising, and administration.

Drug companies argue that drug costs are high because producing innovative products requires large sums of money, but are the products actually innovative? According to a study conducted by the National Institute for Health Care Management (NIHCM), 15% of newly released drugs were actually innovative molecules varying from those already discovered and patented. Another 9% constituted improvements on already existing drugs. The NIHCM reported that approximately 75% of the new drugs had no significant advantages over existing products. These drugs are termed with the buzz word, “me too” products—drugs which do not offer significant clinical performance over drugs already on the market. Within the pharmaceutical industry, innovation has largely been replaced by pseudo-innovation, in which molecules are only slightly modified and submitted to the FDA as unique chemical entities. The production of “me too” drugs has been encouraged by the ability of pharmaceutical companies to influence doctors’ choices by product promotion as well as by legislation which promotes and protects the discovery of “me too” drugs.

So how does Canada keep drug prices low?

continued on page 2...
Cost of medications...continued from front page...

Canada has a Patented Medicines Price Review Board (PMPRB) within their system of socialized medicine, which sets prices for many brand name drugs. As more and more U.S. citizens become aware that the same drugs they are paying dearly for in America are so much cheaper in Canada, an exodus results. Every day, buses full of elderly Americans cross the border to take advantage of the enormous price discrepancy. In 2000, Congress passed the Medicine Equity and Drug Safety Act, which would allow Americans to buy drugs from foreign suppliers, as long as they were originally produced in the U.S. However, the then-HHS secretary Donna Shalala decided that it was impossible to guarantee the safety and origin of foreign drugs. As a result, re-importation legislation was never implemented.

It is impossible to answer the question of why drugs are so costly without stating the extremely high cost of drug development. The process of research and development of a new drug can take anywhere from 12 to 15 years and may approach costs of around $800 million for just one new drug, according to Dr. L. Updike. Since the drug discovery process begins with around 2000 products and ends with just one FDA candidate, there are significant resources that must be devoted to failed products, with hopes and years of research resting on a single agent. Only after FDA approval is gained can the drug be marketed and sold, and the company can begin to recoup their costs of developing the drug. The next time you wonder why your brand-name drug costs so much, consider the research ultimatum: without the high cost of the final product, pharmaceutical companies couldn’t justify beginning the process of drug discovery.

Tax-free donations available for seniors 70 1/2 years and older

Last year’s Pension Protection Act included a provision allowing individuals 70 ½ years of age or older to make tax-free distributions directly from their Individual Retirement Accounts (IRAs) to qualifying charities.

This is a simple way for you to make a gift to the College of Pharmacy, particularly for gifts up to the $100,000 maximum that would otherwise trigger higher tax brackets and various phase-outs. It also makes sense for non-itemizers, who would otherwise take money from their IRA as income and thus not qualify for a charitable deduction.

The provision expires at the end of 2007, so now is the time to take advantage of an IRA rollover gift. For more information, please contact Dan Dean at 208-282-3655 or dandean@otc.isu.edu or Pauline Thiros in the Office of Gift Planning at 208-282-4206.

Happy Holidays from the students, faculty and staff of the Idaho State University College of Pharmacy!