

## Re: The Bullshit Parade

**Source:** <http://sci.tech-archive.net/Archive/sci.med/2004-08/0760.html>

---

**From:** Bob (this one) (*Bob\_at\_nospam.com*)

**Date:** 08/08/04

Date: Sun, 08 Aug 2004 05:05:57 -0400

Robert wrote:

> *"Bob (this one)" <Bob@nospam.com> wrote in message*  
> *news:10hakoaj8vqm050@corp.supernews.com...*  
>  
>> *Dr. Andrew B. Chung, MD/PhD wrote:*  
>>  
>>  
>>> *Lost in this is the simple fact that the rising healthcare costs in*  
>>> *the U.S. predate the recent war on Iraq and current actions against*  
>>> *with Al-Qaida. We have been paying for R&D of medical technologies by*  
>>> *these for-profit companies by letting these companies thrive on U.S.*  
>>> *soil. It seems the Canadians are unabashedly eating the fruit without*  
>>> *being willing to contribute to either fertilizing or watering the*  
>>> *trees.*  
>>  
>> *Given that most major pharma companies aren't American-owned and that*  
>> *the entire rest of the world pays less for meds, it's a funny picture*  
>> *that emerges. It shapes up as more political than economic. For some*  
>> *reason, the medbiz puts out the line that Americans are doing the*  
>> *right thing by paying these high prices but others are somehow*  
>> *shirking their responsibilities by not agreeing to pay the same.*  
>  
> *So you are saying that most are Canadian companies taken advantage of the US*  
> *market? I can't believe Canadians would be so morally corrupt as to make*  
> *money with health care.*

Slow down. I neither said nor implied that the pharms were Canadian, nor did I say that Canadian companies were exploiting anyone. Read what I wrote.

But, of course, Canadian medbiz people make money from health care.

> *In all reality it is market forces that comprise how*  
> *much profit one can obtain. In Mexico most people can't afford meds so the*  
> *price for the average med is dirt cheap in comparison. It is better to make*  
> *some profit than not at all. This can be offset by the high pricey markets*  
> *such as the US.*

Actually, it's not just market forces that govern pricing. It's a combination of political force, social conditions, cultural issues and also market conditions. Fixed prices as some governments have them aren't market forces. Social and cultural issues will tend to have people use their traditional methods for health care, as in Chinese medicine. Market forces are subverted in the US where it's technically illegal to import your own meds from other countries. That's the force of political control.

So you're saying that the US should subsidize the costs of medicine for the rest of the world? Even though the pharms are making very high profits now?

> *If you are saying that all markets should be held to near  
> zero profit and you will see companies fold and go into other areas. There  
> are a lot of profit in drugs right now and so there are a lot of companies  
> and research. If you get rid of profit then most of these companies will go  
> else where.*

Don't be silly. You're making it into an extreme situation. And you're putting words into my mouth. I have said the prices being charged by the pharms are higher than they need to be in the US. The reason they charge what they do is because they can. No regulation to curb it. Regulation to enforce it. The pharms spend a huge amount of money lobbying congress to stay out of the whole subject.

> *There was a boom in hospitals in the early 70's when health care  
> was skyrocketing with money. As business tightned then hospitals started  
> folding.*

I'm not saying they should be held to any specific profit level. I'm a capitalist, but I do think there needs to be some new regulation and the removal of some regulation to really make it a free market situation.

>>*Research is being done in Canada even as we speak. Their med prices  
>>are considerably lower and, somehow, the pharms are still in business  
>  
> Their health care system is out of control especially with drugs right now  
> as a result of shifting costs so if it were a simple price control on drugs  
> they would simply lower the price again. They are in trouble as they have  
> cut back in services in the form of delays in surgery. You can save more  
> money by closing more surgical centers and increasing the waiting times for  
> surgery again or decreasing drug costs. People are pissed up there.*

Funny thing. I have family in Canada, some involved in medicine. I know some others also involved. I know lots more who aren't medfolk. They all together don't seem to be anywhere near as worked up about their system as most Americans seem to be. They have the choice of having the state system or paying for whatever else they'd prefer.

I get my information about Canadian conditions from Canadians.

>>*there and still competing hard with each other. Can anyone believe  
>>that they lose money everywhere but the US? Or just break even? Seen  
>>any annual reports from pharms lately?*

>

> *If they are multinational then how can you say they are competing hard with  
> each other.*

Um, they compete with each other. Look at all the parallel medicines available from different manufacturers. Look at the statins. They compete. There is no exclusivity or collectivity because they're multinationals. It just means they operate in many countries.

> *They are like oil companies where they all set the same price  
> per country.*

Um, oil companies don't all set the same price per country. That's why gas and other petrochemical prices are variable, even in small areas. It's illegal in most places to do that.

> *So you want to lower costs per drug? The large oil companies  
> can close a local retail gas station owner by lowering prices and putting  
> him out of business. Companies dump products to do the same thing.*

Yep. And these things you cited here are illegal in the US. Price fixing is illegal. Dumping is illegal.

>>*The other tired mantra from them is that if we buy meds from Canada,  
>>there's a safety issue. Does that mean that the pharms take less care  
>>with Canadian meds? Less what? Sterility? Purity? Care in handling?  
>>Outdated ingredients? If it's so, why haven't Canadian medical  
>>professionals spoken out against this condition? Could it be that  
>>there's no issue? When I was in Toronto a few weeks ago, I raised the  
>>question with some medbiz folks who laughed. One said, "It's  
>>commercial propaganda from the large companies, that's all. The meds  
>>are the same."*

>

> *You are dealing with multinational companies and what makes you think it is  
> produced in Canada?*

Jeezus. Read what I wrote. I didn't say where anything is produced. The reference is to meds sold in Canada versus meds sold in the US. The pharms are saying that meds sold in Canada wouldn't be as safe as the meds sold in the US.

> *A company can save a lot of money buy hiring cheap labor  
> and not doing QC. QC costs money and you can see with the vitamine industry  
> or even in any food product where the label often does not conform with the  
> content.*

Obviously you don't deal with the FDA or USDA. Pharmaceutical manufacturing is a very precise series of processes. They need to keep

astonishingly detailed records. They need to run very sophisticated equipment that deals in milligrams and micrograms. You don't hire cheap labor for that. Pharmaceutical companies have no choice but to do extremely intensive QC. The law demands it and the law demands that regulatory agencies review the records.

The vitamin industry has been given a free pass by calling their products "food supplements." My sense is that will change in a few years because of the actual and potential harm done by so many of them.

Food labeling is a confused mess now, with lots of conditions undefined. There are new regs coming out in January 05 that are ostensibly going to clear up a lot of that. But slick operators will still find ways around them.

>>Pharms are consistently among the most profitable businesses of any  
>>kind. Period. They're vast multinationals making unheard of profits.  
>  
> You forget to mention that they are a product that have use and meaning in a  
> health care setting. You hope for the best and prepare for the worse in that  
> you want to kill as few people as possible and save much lives.

That doesn't affect what I wrote above.

>>The other really significant variable is advertising. Nowhere else do  
>>the pharms do anywhere near as much advertising of prescription drugs  
>>direct to consumers as happens in the US. Advertising is expensive.  
>>Very expensive. Adds significantly to the cost of meds. And they're  
>>still hugely profitable.  
>  
> That's true and I really think that is a bad way to go.  
>  
>>Rising healthcare costs in the US are the highest and fastest rising  
>>costs (with essentially no new variables) in our domestic economy. And  
>>they happen across the board with all components in the medbiz system.  
>  
> Not just the US as in any product that is new it will cost more. Look at eye  
> surgery laser machines out there coming out like new computers every few  
> years and more expensive. It is not just drugs.

No, it isn't. Centrifuge story at the end...

>>I paid \$105 for an injection for my daughter in a hospital that cost  
>>\$29 in a doctor's office. Or rather, my insurance paid it. I would  
>  
> It is shifting costs of hospital expenses and not really directly related to  
> the price of the actual injection. I paid \$7.50 for a coke and a hotdog in a  
> movie theatre. Most hospitals are non-profit so they are not making a profit  
> off of you.

See, that's not so clear as you would wish it to be. Is it profit if a hospital has money left over from income after all expenses are paid? If it's not profit, what is it? They call it "retained earnings." That means income not spent.

If they don't have money left over, how will they do new projects or acquire new equipment? If so, how is that different than what businesses do for future investment. Non-profit only means that the excess money isn't given to investors as dividends. Investors can be paid interest on the money they've invested.

They do make a profit, it's just not called that and it's treated differently than for-profit businesses work. But they sure make more than they spend.

> *You are paying for those who don't have insurance and for  
> staffing costs at the hospital and for malpractice insurance and anything  
> else the hospital might need.*

And you're paying whatever they say the going rate is irrespective of market forces.

> *You should go to your doctors office instead  
> of a hospital but if you were to need a plumber at 4 in the morning I bet  
> you will pay more than the usual work day hours plumbing job.*

Right. Emergency services cost more \*if the operation isn't geared to deal with emergencies\* like a plumber. Hospital ERs are specifically designed to deal with emergencies.

>>*have paid \$135 if I had paid it myself. Hospitals charge people who  
>>pay in cash more than they do if insurance pays for it. They justify  
>  
> Not just hospitals dude. Last time I was in to the dentist I have a copay  
> and sometimes the insurance is billed x amount and I receive an additional y  
> I need to pay because the insurance did not pay 100 percent on the bill.*

You missed the point. I said that hospitals charge people who pay cash more than they charge people with insurance. Different rates.

>>*that by saying that since insurance companies buy more medical care  
>>for their insureds, they should be given a discount. But they're  
>>buying it one person at a time, case by case, in fact no different  
>>than one customer buying medical care for himself. Same or, most  
>>likely, less paperwork for the individual purchaser. Less  
>>administrative time. It should be cheaper for the paying customer; not  
>>more expensive.  
>>  
>>The other great reality is that the pharms aren't doing the basic  
>>research on new meds. It's coming mostly from universities and  
>>scientific companies not in the pharm business. The pharms buy or,*

sci.med: Re: The Bullshit Parade

- >>more often, just take over the development process after it shows some
- >>promise for relatively large sales. And that's the only key for them.
- >
- >
- > You make it sound as though it's not big deal on their part. How many nerdy
- > researchers do you know who are able to run a large pharm company? Most
- > researchers would quite content on studying the sex live of osyters for 20
- > years than deal with business. The person who developed PCR is a hippy type
- > with bad hair days and lives a very modest life without a patent on
- > anything. He is basicly broke but happy. He had no desire on even developing
- > fully his ideas.
- > The original purpose of viagra was to be for blood pressure control and
- > that's what the nerds invented it for. Get it in pharm clinical studies and
- > they see people sporting wood. They take it the urologists and say " Hey
- > Fred look at my wood".
- > Basic research is nothing with out the vision of application. Both are
- > original in thinking and not just the abstract thought.

This is a long non sequitur.

- >>That's why there are many diseases and conditions that will never be
- >>investigated by the pharms and no meds or treatments developed.
- >>Markets too small. Not profitable enough.
- >
- > So why are you blaming the pharms for that after you just said that most
- > basic research is done in the U's?

There's no blame here. Statement of fact.

- > They did pass the orphan disease act as an incentive for research and drug
- > development in that area.
- >
- >>Some years back, an acquaintance was in sales for a scientific supply
- >>company. He showed me a couple centrifuges he had in the trunk of his
- >>car. One was that speckly gray that all the equipment in our college
- >>labs were. The other was white. I asked what the difference was. He
- >>said the paint and the price. I looked confused. He said the gray one
- >>was for a school and the white one was for a hospital. The white one
- >>was priced twice as high. "Professional equipment," he said. And laughed.
- >
- >
- > Didn't you just ask why the hospital charges more? You were just passed on
- > the cost of that centrifudge.

That was the entire point of the story. That's why I posted it.

Bob