

Monopolizing Insulin: The Exploitative Practice of Medicine

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Abstract

The essay will focus primarily on the inconsistencies and injustice that takes place within the medical industry in the United States. By using historical context and logical explanation for the current realities that have toppled the pharmaceutical-economic market. Facts, examples and data will supplement the writing with insightful information that provides a clear understanding for why insulin prices are increasing within the U.S. and how this culture isn't uncommon.

Despite the fact that medicinal practices have served such a pivotal and life-saving shift in human history, modern anthropologists and historians can argue the damaging changes that are taking place in our health care industry. Most of these innovations are used to project societal wellness and safety; given the right amount of resources, there are countless amounts of improvements that could be made. Fortunately, the United States has paved the way for the strength and development of these technologies – it simply goes without saying that modern medicine can be traced back to the U.S. with the help and allegiance to her European counterparts. These scientists would break barriers and legitimately use their wit to improve the lives of others with optimism, stamina and compassion; dedication and pure interest was and should still be, the only motivator that drives people to help others. Woefully, neglect for human life for the luxury of wealth and monopolizing medicine has become the single most important thing to pharmaceuticals. With prices of medicine going up like insulin and epinephrin, there is no telling when justice and equity will be served; but the fundamental question still stands: why is this taking place? Throughout this essay, the focus will lie on the reasons and history of medicinal malpractice and how the U.S. should model after other revolutionizing countries.

To further understand how our medical industry is working now, it is important to understand the integrity of it years ago. It wasn't always so dire and unlighted, for example, many creators and pioneers in sciences are unknown due to their choice to remain neutral and dedicated to service. Among the many, Frederick Banting, the founder of insulin, a medication used to regulate blood sugar, felt that it was unethical for a medical practitioner to earn money from their science if it was in the name of saving lives (Belluz, 2019). Banting and his co-founders even chose to sell their patent for \$1.00 to the University of Toronto simply because he felt that everybody who needed it should be able to afford it. Since then, the cost of insulin has

nearly tripled with co-pays that continue to increase! In some cases, people who are dependent on the drug prefer to skip their treatment due to their financial instability – this worry is beyond unnecessary, but it goes to prove the inappropriate circumstances that fuel the fault in medicinal fabrication. Quite literally, without this type of treatment, people could end up with life-threatening injury or death; the abandoned sake of integrity and rectitude have equated to multiple casualties and desperate health situations for millions of Americans. Not to mention the extreme leverage and excuses pharmacies have for increased prices; insulin manufacturers, for example, justify an increase in price for improved innovations.

Ultimately, the only reason our government and medical companies have allowed this to happen is because of the monopoly in production; there are currently three insulin manufacturers that service the United States: Eli Lilly, Novo Nordisk and Sanofi. (Cefalu, 2018). In the article titled, *Insulin Access and Affordability Working Group: Conclusions and Recommendations*, the author tackles the intricacy of negotiation among the idle rich and powerful in these corporations – the three of these suppliers engage in a complex system of deliberation with no agreed upon price which ultimately allows the final payment to reflect the fees or rebates placed by stakeholders. The only problem with this format is the yield of power placed onto the stakeholders; most people who invest in stock or part of a public company hope to earn revenue. When money is the drive, nothing else matters to people, especially when the stakes are so high – people become distracted of the issue and principle of medicine: save lives, not impair them.

This isn't the first time the pharmaceutical industry has exploited the less fortunate; leading producers of epinephrine, a commercially available steroid used to treat allergic reactions, have faced a public outcry of controversy over its prices. To grasp the inner-workings of this particular industry, it helps to identify what they are – many journalists often refer to it as

“a remarkable microcosm” (Baker, 2016). Essentially, this means that companies operate on a small scaled basis that allows fewer meaningful competition with little interference or supervision of policy making. These companies recognize that medicines like epinephrine or insulin are not optional but rather lifesaving treatments with a market size reaching the tens of millions (Baker, 2016).

Not only do the markets and producers make access and pricing for these particular medications difficult, but so do insurance companies. The control and access to different medications rely on acquisitive agreements that lack public transparency and eventually lead to an increase in money-flow to big companies (Baker, 2016); the rich just get richer. That system of business isn't new by any means, in fact, that type of logic manipulates a huge fraction of industries and economic systems across all sectors. Many politicians, however, have started to take notice and oftentimes collaborate with lobbyists or experts in legislation to tackle the issue and create new measures that incentivize legal and moral cooperation amongst multi-billion-dollar organizations. In an interview/discussion between clinical professors, John Clark and Amy Thompson, they uncover how drug prices could be regulated and its importance to voters. At a question directed towards Thompson about how the Executive could be serious about lowering drug prices, she responds with a simple answer of what they would need to do: “shifting to a model that holds manufacturers accountable for negotiating” (Bailey, 2020). This could look like many different things such as: competitive licensing, paying royalty or increased bargaining power – ultimately, Thompson suggests that the President would still need to work closely with members of Congress to actually develop the logistics and support buyers in their constituent base. Additionally, Thompson agrees that the root of the problem isn't sitting with the pharmacist who are earning profit, but rather in the complex system that determines the

pricing and policy that dictates finances (Bailey, 2020). American companies have closed out the rest of the world in an effort to control the market on an internal scale. This system has provenly benefited them in earning money from U.S. citizens, but also forces them to allocate their own resources and time to developing the medicine. John Clark explains that if American companies begin to fund research and developmental costs more evenly around the world, drug prices will surely decrease – this causes other markets to compensate by having increased costs to balance the offset (Bailey, 2020). Although this theory proves that costs could be increasing due to the lack of a diversified market, the complexity of the situation makes analysis much harder and leaves room for gray areas.

New companies or generic patents have also proven to be extremely difficult and lead to a ‘stand-still’ in competitive marketing. An article for *U.S. News* states, like many other economists and journalist organizations, that the only way to lower prices that will help the American people the quickest is the availability of all-encompassing insulin (Gordon, 2019). The current three manufacturers maintain the upper hand with extreme strength when dealing with domestic competition; United States law allows them to do so with loopholes. Among the many different methods for blocking new introductions of insulin to the market, the establishment will oftentimes create new patents on small cosmetic things like delivery devices (Gordon, 2019). These petty commitments always keep monopolies on top and the quid pro quo relationship between our capitalist economy and corrupt politicians. Lives will continue to be put in jeopardy due to the selfish nature of our financial state.

Americans should try taking a look across the pond – the United Kingdom has begun implementing government regulation that target medicinal prices. According to an article written for Vox, the government sets a certain price that becomes the maximum threshold for

large pharmaceutical companies (Belluz, 2019). Although this is extremely unfortunate for the drug makers, the needs and health of the people come first. Free market approaches, as we see in America, only benefit those at the top who are earning dollars by exploiting those who suffer. Most of the time, these improvements aren't actually worth the price increase, either. According to Yale endocrinologist, Kasia Lipska, for people who are suffering with Type 2 diabetes, there haven't been enough evidence to suggest that new formulations are actually strong enough to shift the treatment methods (Belluz, 2019). Lipska also acknowledges that other types of insulin have received huge price tags when little improvement was made to it – prices even exceed the inflation rate. Combined with researched analysis of insulin's improvement and the structure of these monopolies, one can infer that these prices are a result of a selfish lust for profit.

Reform efforts have been made to ensure that people can get the help that they need to survive; for example, officials in the state of Colorado have recently passed a bill that reduces copays to a maximum price of \$100.00 per month (Gordon, 2019). This plan only works to benefit residents who reside within the state; however, this reflects the advancements that could be implemented on a national scale. The most important part of Colorado's recent bill is that it ensures that people can continue to pay the maximum price of one-hundred dollars, regardless of how much they may need or use (Belluz, 2019). Other federal enactments aim at restoring affordable health coverage for wide-ranging medical disabilities, including diabetes. Democratic Members of the Senate, like Elizabeth Warren of Massachusetts and Jan Schakowsky of Illinois, just released a bill called the *Affordable Drug Manufacturing Act*, which would allow the government to interfere with insulin production and help to create a general model for its manufacturing. The bill also enables the federal government to interfere with the economic settings that are currently instated like setting fair prices for essential medications (Belluz, 2019).

So far, this piece of legislation is the only one sitting on Capital Hill with potential of revolutionizing America's medicinal sector, nonetheless, solutions are being considered.

Not long before this, Cigna, a huge private insurance company that insures millions of people across the nation, announced a plan to provide a \$25.00 copay. As with most great successes, there is a 'but' statement – this benefit can only apply to people if their employers opt for the change in plans. To make matters even worse, Cigna only covers less than one percent of the roughly twenty-three million people who are diagnosed with diabetes in the United States. Clearly, the amount of regulation and shoe-fitting that is needed to qualify for affordable and qualitative coverage is exhausting and is proven to move slowly in smaller scales.

The main lesson that can be learned from this error in American politics and economics is that we must never become comfortable with immoral and unethical practices – people's lives are on the line and tiddling with millions of dollars is not working. The damage that has been done by the extreme price increase in insulin, has made its mark on Americans and they're tired. We must never fail to forget the unifying principle of saving lives and helping people even if it comes before our interests – if these parasitical monopolies continue to characterize the American medical industry, ensuring guidance through selflessness and integrity will never happen. To achieve progress is to learn, adapt and refuse to take a step back.

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