

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board

—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → Model Legislation → Health and Human Services ←

Resolution on Negative Impacts of Pharmaceutical Price Controls

WHEREAS, the current US health insurance industry is tied to the U.S. tax code by the percentage of tax deductibility for health insurance contributions whereby employers receive 100% tax deductibility for employee health insurance contributions, and the self-employed and individual purchasers of health insurance receive a certain percentage of tax deductibility for their health insurance contributions; and

WHEREAS, the US health care industry is not a pure market system, because it separates the payment for healthcare through taxes and/or contributions from consumption of medical services; and

WHEREAS, consumers are left with little or no basis with which to compare the quantity, quality, cost, or value of the services they utilize and because they are unaware of the total cost of medical services, they have a natural incentive to over-utilize medical care; and

WHEREAS, many employer-sponsored insurance plans cover a portion of the cost for prescription medicines, thus enabling consumers to be aware of the cost of medications, since they must pay a larger share of out-of-pocket expense for medications; and

WHEREAS, consumers are led to believe that increasing prescription prices of medicines are a leading cause of health care cost escalation, although outpatient prescription medicines account for only 7.2 percent of total 1993 U.S health spending; and yet pharmaceuticals save millions of dollars in reduced hospital and physician expenses; and

WHEREAS, in 1998 US Pharmaceutical companies invested \$24 billion of their revenues into research and development of innovative medications. The pharmaceutical industry improves American health care, through effective research and development of new drug entities; and

WHEREAS, when price controls are imposed on any industry, they reduce returns on investments, and the ability of producers to fund new, innovative research or continued development, or increase in production. The most damaging effect of price controls on pharmaceuticals is that they will discourage manufacturers from developing additional life-saving drugs because they will not be able to recoup the costs of research and development process; and

WHEREAS, price controls encourage manufacturers to shift resources from research and development to marketing existing drugs, because investing money in experimental research and development would not be cost-effective.

THEREFORE BE IT RESOLVED, that government-mandated price controls on pharmaceuticals negatively impact the quality of health care by increasing consumer's price for medicines, curtail price competition and stifle manufacturer's ability to research and develop life-saving medicines which result in the substitution of costlier medical procedures.

BE IT FURTHER RESOLVED, that {insert state} encourages Members of Congress to consider that consumers would benefit from genuine market-based, consumer-oriented health care reforms, which simultaneously would control costs, improve quality, and expand access to health care for all Americans.

BE IT FURTHER RESOLVED, that copies of this resolution will be distributed to all Governors and members of the U.S. Senate and the U.S. House of Representatives.

Adopted by the Health and Human Services Task Force and approved by the ALEC Board of Directors in 1999.

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECExposed.org. For more information contact: editor@prwatch.org or 608-260-9713.

Center for Media and Democracy's quick summary

This Resolution suggests the profit motive of pharmaceutical companies is more important than keeping important medicine affordable. The Resolution opposes all cost controls on prescription drugs.