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Pharma contributed to attorneys general who want to repeal the Affordable Care Act

By [Ed Silverman](#)³ [@Pharmalot](#)⁴

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J. Scott Applewhite/AP

The Affordable Care Act has driven a huge boost in revenue for pharmaceutical companies — but ironically, \$1.5 million in drug industry donations last election cycle were funneled to Republican state attorneys general who will soon make a case for repealing the law before the Supreme Court.

In early 2018, a group of Republican state attorneys general filed a [lawsuit](#)⁶ seeking to repeal the ACA, which expanded prescription drug coverage for millions of people and in turn, helped drug makers rake in more revenue. Later that year, eight of those attorneys general were either elected or re-elected. And during the 2017-2018 election cycle, they received financial backing from the Republican Attorneys General

Association, which secured \$1.6 million from more than a dozen drug makers and PhRMA, the industry's influential lobbying group.

The contributions, which were funneled through various state Republican committees, ranged from \$2,700 to Arkansas Attorney General Leslie Rutledge to \$650,000 to Texas Attorney General Ken Paxton, who has spearheaded the lawsuit, according to the Center for Political Accountability, a nonprofit group that studies corporate donations and compiled the contribution data from Political Money Line.

Drug makers, of course, regularly contribute to both Republican and Democratic candidates. But in some cases, a candidate's view can have negative repercussions for these companies. In this instance, the U.S. Supreme Court will hear arguments about the case on [Nov. 10](#)⁷. Although repeal is considered a long shot, the pharmaceutical industry stands to lose untold sales dollars if the ACA is repealed.

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“The market perception is that getting rid of the ACA is bad for everybody, including drug makers,” said John Leppard of Washington Analysis, which tracks pharmaceutical regulatory and legislative matters for investors. “The whole idea was to expand coverage. And more covered lives equals more covered patients, which means more prescriptions would be written.”

More people did pursue prescriptions after the ACA became law in 2010. In 2013, about 26.5 million adults, or 11.2%, reported not filling a prescription, postponing a prescription fill, taking less medication than prescribed, or skipping doses of a medication to save money, but this dropped to 22 million, or 9.1%, by 2015, according to a 2016 [study](#)⁹ in the American Journal of Public Health.

Institution	Donation total
AbbVie	50,525
Alkermes	65,350
Allergan	50,000
AmeriSourceBergen	50,000
Amgen	42,730

Institution	Donation total
Eli Lilly & Co	75,500
Fresenius Medical Care	150,000
GlaxoSmithKline	50,000
Horizon Pharma	100,500
Johnson and Johnson	100,905
Mallinckrodt	195,000
Merck Sharp and Dohme	50,000
Novo Nordisk	25,000
Pfizer	105,000
PhRMA	305,500
Sunovion	50,100
Teva Pharmaceuticals	30,375
Total	1,561,485

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The issue extends beyond dollars and cents, though.

The lawsuit arises as a growing number of Americans express concerns about the rising cost of prescription drugs and access to health care, which have been volatile political footballs for several years. For this reason, a majority of Americans want the ACA to remain intact, according to a [poll](#)¹⁰ released late last week by the Kaiser Family Foundation.

Overall, 55% of those surveyed hold a favorable view of the law, up from 49% a month ago. About half of adults say they are worried they or someone in their family will not be able to afford health coverage or will lose coverage if the Supreme Court overturns the entire ACA. As a result, 58% reported that they do not want the 2010 law overturned.

Consequently, the political donations by the pharmaceutical industry appear to run counter not only to its own financial interests, but also its reputation, which has already taken a beating over the past decades thanks to rising prices. By contributing to lawmakers who seek to repeal a law that many Americans rely on for health care, drug makers risk alienating consumers still more.

“It’s more than just hurting their sales. They’re in the business of addressing threats to, or protecting, people’s healthcare. And this comes in the midst of a pandemic, as well,” explained Bruce Freed, who heads the Center for Political Accountability. He noted that \$1.5 million of the \$40.6 million raised by RAGA in the 2017-2018 election cycle came from the pharmaceutical industry.

“It flies in face of what these companies say they stand for. So it’s also an issue in terms of reputation. The problem is that companies don’t pay attention to the consequences of their spending and it can lead to collateral damage. When they give to a candidate or group, they need to look at the range of positions,” he continued. “It was clear in 2018 when they were giving to RAGA that some of these folks were going to be involved in a lawsuit targeting the ACA. It was known as a bedrock Republican position.”

“If the ACA is repealed, millions of people will be without health insurance. And when the public realizes how much these companies contributed to the AGs who brought suit and were responsible for the loss of insurance, they may be upset,” Freed added. He noted, by the way, that RAGA is a 527 group, which means it’s tax exempt under section 527 of the Internal Revenue Code to raise money for political activities

The pharmaceutical industry, for its part, maintains this is nothing more than a case of unintended consequences.

Not all of the companies that contributed to RAGA responded when asked for comment, but spokespeople for several drug makers maintained donations were made to organizations representing both Republican and Democratic attorneys general without regard to various policies. And most indicated they support the ACA.

For instance, a spokesperson for the PhRMA, which contributed \$305,500 during the 2017-2018 election cycle to RAGA, noted the trade group works with both sides of the political aisle around the country.

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“Like most industries and associations, PhRMA engages with groups and organizations that have a wide array of health care opinions and policy priorities. We seek to work with organizations we agree with, as well as those where we have disagreements on

public policy issues. Even though we may not agree on every issue, we believe engagement and dialogue on areas of common ground is critical,” she wrote us.

Meanwhile, a RAGA spokeswoman wrote to say that “industries, including pharmaceuticals, regularly give to political committees and candidates on both sides of the aisle... Individual Republican attorneys general have sued repeatedly over the last decade to end an unconstitutional and failed unaffordable healthcare experiment that has weakened access to doctors and raised premiums and deductibles for millions of Americans. Regardless of the outcome, Americans deserve a better system of healthcare than the status quo.”

A spokesperson for Pfizer (PFE), which contributed \$105,000 to RAGA, wrote that “Pfizer contributes to both the RAGA and DAGA. It is misleading to tie those contributions to any one specific policy issue or action by those groups and/or its individual members. Pfizer’s political contributions are led by two guiding principles – furthering the incentives for innovation and expanding access to medicines and vaccines.”

A spokesperson for Fresenius Medicare Care, which gave RAGA \$150,000, wrote that “we make corporate contributions to both Democrat and Republican nationally-led organizations to help us advocate for policies we believe are in the best interest of our patients. Our contributions are not endorsements or approval of specific actions at the local level. We believe our patients should have access to the health insurance exchanges made available under the Affordable Care Act.”

Similarly, a spokesperson for Amgen (AMGN), which gave RAGA more than \$42,000, noted the company worked with both DAGA and RAGA on patient access issues, but not the ACA. A spokesperson for Eli Lilly (LLY) wrote us that the company “and the broader biopharma industry, supported the passage of the (ACA) and continue to support affordable access for patients. We are not supporting repeal of the ACA.” Lilly contributed \$75,500 to RAGA during the 2017-2018 election cycle.

A spokesperson for Alkermes, which gave more than \$65,000 to RAGA, noted the company does not “ earmark or direct contributions to independent third party organizations for specific activities.” And a spokesperson for Mallinckrodt, which contributed \$195,000, wrote us that “the company does not take a position on the public policy positions of individual Attorneys General” and also contributed “roughly equivalent” amounts to DAGA.

About the Author [Reprints](#)⁵



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