Another Voice: Schumer defends system that creates shortages of critical prescription drugs

By Phillip L. Zweig


Since then, little has changed. While the FDA claims success in preventing new shortages, nearly 300 critical drugs – including injectable chemotherapy agents, antibiotics, anesthetics and nutritional IV solutions – remain scarce. In a throwback to the disgraced Soviet economic system, providers are rationing drugs, many patients are dying and countless others are being forced to rely on less-effective medications. Lately, hospitals have been foraging for emergency supplies of sterile saline solution, aka salt water.

In fact, Schumer is part of the problem. He neglected to point out at Roswell Park that the anticompetitive contracting practices, self-dealing and kickbacks of giant hospital group purchasing organizations, or GPOs, are the real root cause of this public health emergency. These practices have been documented in four
Senate Antitrust Subcommittee hearings, numerous media reports, government investigations, lawsuits and independent studies.

GPOs control buying for up to $300 billion annually in drugs, devices and supplies for some 5,000 acute care hospitals. Under their “pay-to-play” scheme, these cartels award suppliers exclusive contracts in return for outrageous fees, thereby reducing the number of manufacturers to one or two for many drugs and crippling the ability of others to maintain quality. The result: shuttered plants and skyrocketing prices. A Feb. 10 report by the Government Accountability Office, the investigative arm of Congress, cited GPOs as a “potential underlying cause.” No lawmaker has defended this perverse system more vehemently than Schumer.

How could this happen? In 1987, Congress enacted the misguided Medicare anti-kickback “safe harbor” statute, which exempted buying groups from criminal penalties for taking vendor kickbacks. In 2005, former Sens. Mike DeWine, R-Ohio, and Herb Kohl, D-Wis., then chairman and ranking member, respectively, of the antitrust panel, circulated a draft bill that would have repealed the safe harbor and restored market competition to hospital purchasing. That arguably would have prevented the shortages altogether. But Schumer, acting on behalf of his campaign contributors at the Greater New York Hospital Association, itself a GPO, ran interference. At a 2006 hearing, he lambasted his colleagues for even holding the hearing, declaring, “This is getting to the point of absurdity here...!”

The real absurdity is that American drug makers can no longer provide reliable supplies of inexpensive, lifesaving medications to millions of patients.

Phillip L. Zweig is executive director of Physicians Against Drug Shortages.
pharmarep · 2 months ago
It is difficult to comprehend how Chuck Schumer can defend the GPO's knowing that they are the cause of the drug shortages and ultimately the deaths of so many people. His defense of these organizations in return for campaign contributions is outright criminal!

Jamie Rozek · pharmarep · 2 months ago
It's difficult to comprehend how you can, with a straight face---make a post blaming one party for this problem when it is quite clearly BOTH parties at fault...

rhmaccallum · 2 months ago
Industry interest group purchases politician. So...what's new?
Typical Chucky Scammer with his TV splash and dash to another media headliner. He does NOTHING but is always in front of the TV cameras to get his ugly face in front of us. And the simple minded liberals eat it up like candy.

Mr. Zweig correctly notes.......In fact, Schumer is part of the problem. The Smuck exemplifies everything that is wrong in Washington today. Leftist masterminds creating more problems that existed than prior to their arrival. Vote them out reduce the power of the central government! Not increase it!

This happened in 2006 and nobody brought it up until 2014?? Where are the protestors?

why doesn't someone put this to Chuck the next time that he forces his way in front of a tv camera?

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