Column: Politics, Corruption and Drug Prices

Jim Rubens
For the Valley News
Friday, October 2, 2015
(Published in print: Friday, October 2, 2015)

Combined, Donald Trump, Bernie Sanders and Ben Carson now outpoll their establishment rivals, lopsidedly in New Hampshire. We are at the leading edge of a national political revolt, driven less by ideological litmus testing, far more an expression of open disgust for the Washington insider class who give lip service to average Americans and enrich and aggrandize themselves by selling power and economic privilege to the high bidder.

A blatant case in point is the Group Purchasing Organization (GPO) safe harbor exemption, an obscure one-paragraph law written by medical industry lobbyists and snuck into a 1987 Medicare/Medicaid reform bill. The six dominant GPOs are middlemen, supplying most of the $300 billion in generic drugs and medical equipment and supplies used by U.S. hospitals.

The GPO safe harbor is unique in federal law, permitting vendors to pay kickbacks to GPOs who in turn pay kickbacks to hospitals and for-profit hospital executives in return for sole-source contracts. This legalized corruption warps traditional free-market incentives that give us continuously improving products and services at lower cost.
Combined with lax antitrust enforcement, legalized GPO kickbacks have sharply suppressed competition, manufacturing capacity and innovation in the generic drug and medical equipment and supply industries. Additionally, American health care costs are increased by at least $30 billion annually, $17 billion of this paid by taxpayers. Doctors are stuck with periodic shortages and price spikes for commodity anesthetics, antibiotics and even bagged sterile saline. Patients are subjected to unnecessary risk.

For 15 years, doctors, health care entrepreneurs, muckraking journalists and a handful of senators (Grassley, Coburn, Kohl and Leahy) have fruitlessly pressed Congress to end this corrupt, crony capitalist market distortion by simply repealing the GPO kickback safe harbor law.

Why no action by Congress? Leadership barons in both parties get millions in campaign contributions from GPOs, hospitals, manufacturer cartels and their lobbyists. The Democrats’ lead handmaiden and recipient of GPO campaign money is Sen. Chuck Schumer, who went ballistic during a 2006 Senate hearing because GPO kickbacks were even being discussed.

What to do? Repealing the GPO kickback safe harbor is but one of thousands of discrete and widely supportable reforms that would end crony capital corruption and restore government of, by, and for the people. But congressional party barons use their hammerlock over procedure to block reform bills like these on behalf of their donors. One simple solution is to allow every member of Congress to do what every member of the New Hampshire Legislature can do: bring bills to the House or Senate floor for a straight up-or-down vote.

Under U.S. Senate rules and custom, only the Senate majority leader can offer a motion to proceed to floor debate on a bill. I propose a change to Senate rules allowing a simple majority of 51 senators to agree to allow floor debate and a vote on specific, single-subject bills. Under this special rule, debate time limits would be agreed to by sponsors in advance, only germane amendments permitted, and the right to filibuster retained.

As in the New Hampshire Legislature, this procedural change would not grind Congress to a halt. It would force debate and votes on more issues. Senators would spend more time on our nation’s backlog of pressing and unresolved issues. They would stop spending half their time groveling for money from the crony capitalists who have corrupted Washington.

Every citizen in our first-in-the- nation primary state should be asking the candidates what they will do to break Washington gridlock and end crony capitalist corruption.

Jim Rubens, of Etna, is a former New Hampshire state senator and ran for U.S. Senate last year.
95/congregation-votes-to-sell-white-river-junction-church) (970 reads)

9. Liberty Utilities Details Natural Gas Site Plans

10. Dartmouth Replaces Newly Hired Native American Program Director
(http://www.vnews.com/home/18850387-95/dartmouth-replaces-newly-hired-native-american-program-director) (935 reads)