

# Medical Nemesis

or, Follow the Money

Kevin Carson

April 14, 2005

Alternet has an interview with Dr. Richard Deyo, who co-authored *Hope or Hype: The Obsession with Medical Advances and the High Cost of False Promises*. Some excellent bits of analysis, although (like a typical goo-goo) he gets the big picture wrong.

The problem with me-too drugs is a big one. Me-too drugs are chemically very similar to other drugs already available, yet they are typically marketed as if they were important new breakthroughs, and typically with very high prices. We found in many cases that new, expensive me-too drugs are not necessarily better than older generic and less expensive drugs. Because new and heavily marketed drugs seem like they must be better, manufacturers can command higher prices. That is an important driver of drug costs.

The central factor in this process is the state's patent policies, which drastically inflate the profitability of the newer "me, too" drugs against much cheaper competitors that do very nearly the same thing. Indeed, the patent process has a huge distorting effect on R&D, since it results in so many resources being channelled into tweaking existing drugs just enough so that they can be re-patented as "new." Then the drug reps hit every hospital and clinic in America, drop off some free samples and pamphlets, and (most M.D.s relying on drug industry handouts for their information on the new drugs that have come out since they left med school) the "me, too" drug becomes the new standard form of treatment.

The state having created the "honey pot" with its patent system, it is quite predictable that the state-enforced drug cartels and the white-coat Mafia (medical licensing boards with their mainly pharma-influenced "standards of practice") should drive the industry toward a model focused on these high-cost drugs, and crowd out low-cost alternatives.

Any doc who (say) recommends Co-Enzyme Q-10 as a first recourse against congestive heart failure, or attempts some other low-cost departure from the drug-'em-and-cut-'em model, had better remember the state licensing board has its eye on him. Even stipulating that patents themselves are legitimate (which they are not), this latter practice has the effect of outlawing one of the most important defenses against monopoly: what Schumpeter called "product-substitution."

The fact that the authors' proposed response to this state capitalist sewer is even more state intervention (finessing the FDA approval process, more regulation of advertising, more procedural oversight of research), rather than eliminating the forms of state intervention that create the honey-pot in the first place, is mind-boggling. It's like looking at one of those Rube Goldberg inventions.

Speaking of inventions... One of the best regular features on MST3K was the weekly "Inventions" segment. My favorite was a treadmill with motorized wheels on the bottom, just in case you felt like moving around outside while you were walking. But with big government liberals making proposals like these, it's hard for the farceurs on the Satellite of Love to compete.

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