



[RunawayRx](#), a project of the California Association of Health Plans, highlights noteworthy articles and information on the acceleration of prescription drug pricing.

Turing Pharmaceuticals CEO Martin Shkreli has become the poster boy for all that is wrong with American drug pricing. While other drug makers attempt to distance themselves from Shkreli and Turing's 5,000 percent price hike, the facts are not on their side. Investigation after investigation into pharmaceutical pricing practices finds Martin Shkreli is far from an [outlier](#). He may be the poster child, but as STAT's Ed Silverman points out, the entire pharmaceutical industry is responsible for its own behavior.

Pharma industry has more in common with Martin Shkreli than it likes to admit

February 9, 2016 | By Ed Silverman



"With a theatrical flair, Martin Shkreli, the poster boy for sky-high drug prices, once again captured the public imagination as he appeared last week before a congressional committee. The former hedge fund manager smirked his way through the hearing, where he asserted his Fifth Amendment right not to answer questions. And he later tweeted that the committee members were 'imbeciles.'

"Of about 3,000 brand-name medicines, prices more than doubled for 60 products, and at least quadrupled for 20 of those, since December 2014, according to Bloomberg News. The [analysis](#) also found that the cost of many drugs rose at annual rates of more than 10 percent."

"Like it or not, this is a problem for every drug maker. And there's a simple reason — prices for many medicines are rising."

"The reality is that price hikes are pervasive and the entire pharmaceutical industry shares responsibility for its poor reputation. And the problem is not going to go away with a few speeches, television ads, or programs to provide patients with discount medicines — not while there is virtually no transparency in pricing.

"...[D]rug makers may find it difficult to argue that rising prices fuel the profits needed for R&D. A [recent study](#) by Deloitte and GlobalData found that big drug makers are 'more likely to return cash generated to shareholders via a combination of dividends and share buybacks than they are to invest in company acquisitions, product licenses and internal R&D.'"

Read more: <http://www.statnews.com/pharmed/2016/02/09/martin-shkreli-pharma-industry-image/>.

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The California Association of Health Plans' RunawayRx project sheds light on the acceleration of prescription drug pricing and how it impacts health care affordability, encouraging a route toward sustainable pricing. For more information, please visit www.RunawayRx.org or follow us on Twitter at [@Runaway_Rx](https://twitter.com/Runaway_Rx).