

## Generic Drugs to the Rescue. Not Part 2

By ACSH Staff — December 1, 2014



In the public gets the shaft again department, there is yet another

example of a failure of generic drugs to control healthcare costs one that would make companies like Pfizer, Merck, and the others green with envy.

And, of course, it s all about green, and we don t mean recycled shopping bags.

Last week [we wrote](#) <sup>[1]</sup> about what happens when all generic drug companies except one stop manufacturing an important drug. In perhaps the most galling case, doxycycline a 50 year old drug that costs pennies to make jumped from \$20 per bottle to [more than \\$1800](#) <sup>[2]</sup>. Since doxycycline is the first line therapy for Lyme disease, and an important antibiotic for other infections, this was quite a shock for people who found themselves getting bitten after they had already been bitten.

ACSH s Dr. Josh Bloom says, This obscene price hike was not limited to doxycycline. Other old, inexpensive, but important generics such as the antidepressant clomipramine, and captopril a blood pressure drug also had huge run ups in price.

Although not nearly as bad in magnitude, naloxone a remarkable antidote for opiate overdose (often heroin) has become more expensive. This will impact opiate addicts, who may rely on naloxone kits (especially since they are distributed free of charge by some non-profit [harm reduction organizations](#) <sup>[3]</sup> to addicts and their friends and families). There is no question that the availability of these kits will save many lives.

Naloxone can be administered by injection or by a nasal spray. The spray, manufactured only by Amphastar a California-based generic drug company will more than double today. Although not as bad as some of the obscene price hikes above, it will still sting, since non-profit organizations and community groups operate on a bare bones budget as is.

Dr. Phillip Coffin, director of substance use research at the San Francisco health department, who also manages the city s [DOPE Project](#) <sup>[4]</sup>, told MedPage Today, "The price increase does hurt these programs. Referring to the city s HRC [[Harm Reduction Coalition](#) <sup>[3]</sup>] naloxone distribution

program, he said, "Many will have to switch formulations in order to stay afloat."

And the other formulations, not surprisingly, have followed suit. Evzio, an auto-injector made by Kaleo Pharmaceuticals, which was approved by the FDA in April 2014 will cost a mere \$700.

Dr. Bloom says, You don't have to be Warren Buffett to see what's going on here. Just like the major pharmaceutical companies, generic companies exist to make money. But, they incur none of the development costs (est. \$2 billion per new drug) borne by the company that originally discovered the drug, and these products are almost always very inexpensive to manufacture. He concludes, If you assumed that once large pharmaceutical companies lost patent protection on their drugs that the saintly generic companies would bail us out of the high price conundrum, welcome to earth. What some of these generic companies are doing make the Mercks and Pfizers of the world look like the Bill Gates Foundation.

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[1] <http://acsh.org/2014/11/generic-drugs-going-savior-medicine-hows-working/>

[2] <http://www.nejm.org/doi/full/10.1056/NEJMp1408376?query=TOC>

[3] <http://harmreduction.org/>

[4] <http://harmreduction.org/issues/overdose-prevention/tools-best-practices/naloxone-program-case-studies/dope-project/>