



Drug Shortages? Ham-Handed Pandemic Interventions Deserve Much of the Blame

J.D. Tuccille

December 7, 2022

In just one day last week, my wife, a pediatrician, fielded multiple calls from pharmacies about prescriptions they couldn't fill because the drugs aren't available, and a hospital memo warning that children's ibuprofen and acetaminophen will be in short supply for months to come.

One problem is demand: kids isolated by pandemic-related school closures didn't exercise their immune systems, which are now surrendering to infections that require treatment. Another problem is supply, with lockdowns and energy costs disrupting the flow of pharmaceuticals.

Drug shortages were a concern before COVID-19, but ham-handed interventions since the virus appeared make the situation much worse.

This week, White House press secretary Karine Jean-Pierre equivocated when asked about "anecdotal reports that some drugs are in short supply in certain places, like children's Tylenol, ibuprofen, amoxicillin." She promised that the administration and the FDA are monitoring the problem, but correctly pointed out that the "FDA does not manufacture drugs and cannot require a pharmaceutical company to make ... more of a drug or change the distribution of a drug."

And many drugs *have* become hard to come by, including children's painkillers, amoxicillin, Adderall, albuterol, Tamiflu, and more.

"What was once an unthinkable situation—a shortage of basic antibiotics such as amoxicillin and Augmentin to treat ear and skin infections or even medications such as Albuterol to treat asthma—is now a harsh reality," Dr. Robert Glatter, an emergency room physician in New York City, told FOX Business.

But while government agencies are unable to resolve drug shortages, they certainly help create the conditions that throw the pharmaceuticals market out of whack. Take often-mandatory social distancing, for example.

"Doctors in France are calling it the immunity debt: When people avoided each other during the pandemic, they failed to build up the immunity against viruses that comes from normal contact," the *Wall Street Journal* warned in June of 2021. "As regular life resumes, society may find payments on that debt coming due, in the form of worse-than-normal viral disease outbreaks."

We're seeing the results now. In particular, children isolated from one another by school closures are being exposed to viruses for which their bodies are ill-prepared.

When schools were closed, "most kids were not exposed to common viruses that they usually would catch every year when they were young," Dr. Tanya Altmann, a California pediatrician, told HuffPost. Now, without toughened immune systems, they're catching them all, sometimes simultaneously in a "triple-demic" of COVID-19, flu, and respiratory syncytial virus (a.k.a. RSV). That means soaring demand for medications.

Unfortunately, government intervention also interfered with pharmaceutical production. For example, China's government has pursued a zero-covid policy featuring draconian lockdowns that disrupt economic activity in a country responsible for many finished drugs and the lion's share of active pharmaceutical ingredients (APIs) used in many medicines produced elsewhere.

"The United States imported 16.2 percent of its overall organic chemicals from China in 2021 and 24.9 percent of its antibiotics, including 41.6 percent of its penicillin, 64.5 percent of its streptomycin, 72.2 percent of its tetracycline, and 86.4 percent of its chloramphenicol," the U.S.-China Economic and Security Review Commission noted in its 2022 report. In addition, "China supplies India, the world's largest producer of generic drugs, with 80 percent of its APIs, resulting in a concealed and embedded trade dependence on China that is far higher than U.S. trade data indicate."

That was trade-war fodder in the pre-pandemic era, but it became a more-serious concern after lockdowns delayed or prevented production of all sorts of products and brought thousands of people into the streets in protest.

India's government, for its part, exacerbated the problem by banning the export of many pharmaceutical chemicals to ensure domestic supply. That led to calls for international agreements to prevent such trade barriers in the future.

Worse, the latest concern is that Europe's self-inflicted energy woes threaten pharmaceutical production along with many other industries. Unrealistic policies made the continent dependent on fuel from Russia, and therefore especially vulnerable when that country's government slashed the flow of natural gas in retaliation for economic sanctions over the invasion of Ukraine.

"Facing winter, aftershocks of the COVID-19 pandemic, a looming recession, soaring energy and transportation costs, and dwindling gas reserves due to Russian supply cuts, some European companies are shuttering plants or scaling down production, fueling fresh fears of essential-drug shortages," reports the University of Minnesota's Center for Infectious Disease Research and Policy.

Shortages and high costs for much-needed drugs aren't new—intermittent problems appeared years before anybody heard of COVID-19. A full decade ago, the U.S. Department of Health and Human Services looked into the issue. It pointed out that adjusting to market conditions is a challenge for the rule-bound and capital-intensive industry.

"Raw materials for production are frequently difficult to source, must be validated by manufacturers, and require regulatory approvals," an October 2011 issue brief noted.

In 2012, the Cato Institute's Michael Cannon concluded that regulatory barriers make it hard for the pharmaceutical industry to adjust to changing conditions.

"There are fixed costs associated with getting FDA approval to (a) market a new/substitute drug in the same class as the shortage drug, (b) switch manufacturing capacity to a shortage drug, and (c) import a shortage drug from a new foreign manufacturer," he wrote. "Congress should reduce the fixed costs that the FDA imposes on drug manufacturers."

It's little wonder that an industry that was already less than nimble and tightly bound in red tape has had difficulty responding to lockdown-fueled surges in demand and disruptions in production that strained society in many other ways. With education, employment, mental health, food production, and overall supply chains taking hits from ill-considered public health interventions, it would have been a shock if the pharmaceutical industry were to be an exception.

As it turns out, you can't turn lives and economies off and on without inflicting lingering harm. That's as apparent in pharmaceutical production as it is in so many other areas.