

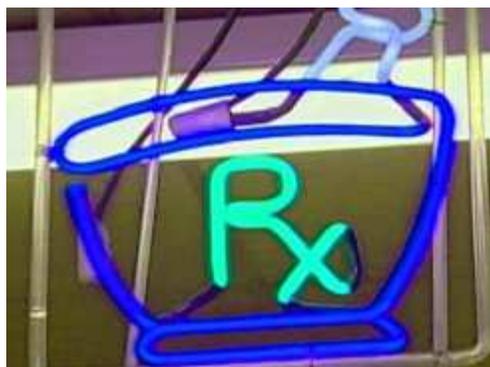


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Reform Bids Die, Health Care Industry Wins

Big Pharma and Insurance Companies Benefit from Demise of Public Option, Drug Re-Importation and Medicare Buy-in

By Sharyl Attkisson



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While Congress continues attempts at health care reform, profits within the medical field are increasing drastically as a result of increased prescription medication use. Sharyl Attkisson reports.



(AP / CBS)

(CBS) If success is measured by return on the dollar, the pharmaceutical industry made a killing, reports CBS News correspondent Sharyl Attkisson.

The industry spent \$20 million lobbying on health care this year. What did they get?

"Thirty million Americans are going to get health insurance subsidies from the federal government, and so 30 million Americans are going to buy a lot more drugs and revenues for the drug companies are going to go through the roof," said Michael Cannon of the Cato Institute.

Also putting pharmaceutical interests in the win column: the swift death of drug re-importation. It would have cost drug makers billions if Americans could buy cheaper drugs from Canada or Europe. Now they can't.

The industry argued on safety grounds that it would be too hard for the FDA to police imported medicine. They even managed to flip their chief opponent -- President Obama. Listen to what he said on the campaign trail:

"We'll allow the safe re-importation of low-cost drugs from countries like Canada," Mr. Obama said in October of 2008.

In the end, the president helped relegate re-importation to the scrap heap of discarded ideas. It was part of a deal he struck with the pharmaceutical industry. It agreed to give up \$80 billion in revenue; the president agreed not to push for re-importation or certain price controls.

Other big winners are the American Medical Association, hospitals and insurance companies.

They spent tens of millions of dollars lobbying on health care this year. That doesn't even count their aggressive campaign in recent days against "Medicare Buy-In." It would have allowed Americans as young as age 55 to buy into Medicare. But to providers, it could have meant lower payments for medical services all the way around. It's dead.

Also dead or very close: the public option. Losers on that issue include the president, Senate Majority Leader Harry Reid and Speaker of the House Nancy Pelosi.

The public option's demise is another win for insurance companies, which didn't want to compete with the government.

And they'll get \$447 billion worth of federal subsidies through customers given money to buy coverage.

All of which, says libertarian Michael Cannon, makes insurance companies the ones with the most to gain.

"Every time government expands somebody is getting rich," Cannon said. "And the people who figured out how to get rich off of this expansion of government are the private insurance companies."

Winners would also include a certain number of uninsured -- how many we don't yet know but perhaps 30 million or so. That is because they will get substantial government subsidies to help them buy their own insurance.

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