

Drug makers accused of stalling bill

Coalition says \$2 million given to legislators helped derail slash in costs of prescriptions

BY JOE DONOHUE
STAR-LEDGER STAFF

After handing out nearly \$2 million in campaign donations to state lawmakers over the past four years, New Jersey's pharmaceutical industry succeeded in stalling a key piece of legislation that would substantially lower the cost of prescription drugs, a coalition of citizen groups charged yesterday.

The coalition known as NJ Citizen Action called on lawmakers to stop taking money from drug companies altogether.

"The drug industry has bought our Legislature for a price tag of almost \$2 million. Meanwhile, seniors, people with disabilities and families throughout New Jersey struggle to pay for over-priced prescriptions."

BRIDGET DEVANE,
NJ Citizen Action

The groups say Republicans received two-thirds of those donations over the four-year period, but now that Democrats are in power, drug companies are more evenly doling out their cash.

"The drug industry has bought our Legislature for a price tag of almost \$2 million. Meanwhile, seniors, people with disabilities and families throughout New Jersey struggle to pay for over-priced prescriptions," said Bridget Devane, an organizer with NJ Citizen Action.

While acknowledging the drug industry's enormous importance to the state economy, lawmakers from both parties denied it holds a vise-grip on the Statehouse.

In fact, they said a bill that would provide a significant reduction in the cost of prescription drugs for low-income residents is likely to come up again next year.

Former Rep. Bob Franks, president of the HealthCare Institute of

New Jersey, an industry trade group, issued a statement saying that drug companies, as a "major driver" of the state's economy, "have every right to lend their voices to the political process."

According to an analysis by NJ Citizen Action — a coalition of unions, senior citizen groups, tenants organizations, churches and other community groups — drug companies gave \$1,909,180 to the two major parties and legislative fund-raising committees from 1999 until June of this year.

Over the four-year period, Schering-Plough Corp. gave the most (\$442,000), followed by Pfizer PAC NJ (\$347,300) and Merck & Co. Inc. (\$236,800).

Bill O'Donnell, a spokesman for Schering-Plough, said the company couldn't comment on the report's accuracy.

He said the company has been "involved in the fabric of New Jersey for more than 50 years and has a record of being a good corporate citizen."

Along with the industry's clout as measured through campaign cash, it also has employed several key Republicans and Democrats.

Among Republicans, former Assembly Speaker Charles Hardwick is a top Pfizer executive.

So was former state Sen. Richard Bagger. Franks is a former state assemblyman and congressman.

Becky Taylor, former spokeswoman for Republican Christie Whitman, now is a spokeswoman for Bristol-Myers Squibb.

On the Democratic side, Gov. James E. McGreevey worked as a Merck lobbyist early in his career. He has named Richard Kinney, a chief lobbyist for Schering-Plough, as a full-time "ambassador" to the business community, and McGreevey's former spokesman, Paul Aronsohn, now works for Pfizer.

According to Citizen Action's report, "Across the country, the drug industry has invested lobbying efforts to stop states from creating programs that reduce drug costs. The industry has used its powerful influence to stop such efforts in the Garden State, especially in the last year."

Doling out the cash

Drug companies contributed nearly \$2 million to elected officials, candidates and political organizations from 1999 through the first half of 2003, according to a report released yesterday by NJ Citizen Action. A breakdown:

WHO CONTRIBUTED THE MOST

| | |
|---------------------------------|-----------|
| Schering-Plough Corp. | \$442,000 |
| Pfizer PAC NJ | \$347,300 |
| Merck & Co. Inc. | \$236,800 |
| Johnson & Johnson Services Inc. | \$200,875 |
| Pharmacia & Upjohn Co. | \$159,150 |
| Bristol-Myers Squibb Co. | \$155,750 |
| Aventis Pharmaceuticals Corp. | \$154,425 |
| Novartis Finance Corp. | \$144,830 |

WHERE IT WENT

| | |
|-------------|-------------|
| Republicans | \$1,293,705 |
| Democrats | \$615,475 |

HOW IT HAS SHIFTED

1999 (Republicans Control Assembly, Senate)

| | |
|-------------|-----------|
| Republicans | \$180,575 |
| Democrats | \$28,600 |

2003 (Democrats control Assembly, Senate split between parties)

| | |
|-------------|-----------|
| Democrats | \$191,450 |
| Republicans | \$178,750 |

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SOURCE: NJ Citizen Action and the Citizen Policy & Education Fund of NJ

Devane pointed specifically to a bill that faltered in the Legislature in June — the result, she believes, of the industry's influence over state government.

The intent of the proposed legislation was to slash state spending on prescription drugs for the elderly and poor.

The bill would have required drug makers to offer bigger discounts or face restrictions on the availability of some of their medicines.

Similar laws have been enacted in 34 other states, and proponents estimate it could save New Jersey consumers up to \$100 million.

Micah Rasmussen, McGreevey's current spokesman, said McGreevey did adopt two other initiatives that could save up to \$25 million.

Noting that drug companies provide "tens of thousands of jobs" in New Jersey, Rasmussen said the governor faces a "balancing act" in weighing the industry's needs against those of the public.

According to the NJ Citizen Action study, Assembly Minority Leader Paul DiGaetano (R-Passaic) and Sen. Joseph Vitale (D-Middlesex) were among the top recipients of drug industry donations within their respective parties.

DiGaetano received \$28,800, while Vitale received \$16,700. Both denied the industry has "undue influence," and said there should be restrictions on pharmaceutical industry donations only if they are part of a broader effort to reform campaign finance law.

DiGaetano said any savings from government pressure to cut prescription drug prices must be carefully weighed against potential job losses within the industry.

Vitale said he expects further discussions of larger discounts to be part of next year's budget talks.

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