

Macro

CLOSER LOOK

The U.S. Has the Highest Drug Prices in the World. And Hating Martin Shkreli Won't Be Enough to Change It.

By Laura Lorenzetti

A little-known drug called Daraprim captured national attention in September when Turing Pharmaceuticals boosted the price of the lifesaving toxoplasmosis treatment by over 5,000%. Overnight, Turing CEO Martin Shkreli became the poster child for bad business in the pharmaceutical industry, skewered for what was seen as price gouging, leaving very ill patients without treatment. Turing became a tipping point that drew scrutiny from all spheres—patients, doctors, advocates—and made drugmakers a prime target of politicians. Presidential candidate Hillary Clinton weighed in with her own proposal to cap drug prices, sending biotech stocks plummeting, and federal authorities targeted Valeant Pharmaceuticals with a subpoena demanding more information on its drug pricing strategies. But despite the uproar, high prescription drug prices in the U.S. are nothing new. The costs of specialty cancer drugs have increased an average of 10% annually since 1995, according to one recent study. Last year alone, brand-

