## Pharma DA Neg

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#### A. Uniqueness: US Pharmaceutical companies are slowly recovering from the recession now.

Marielle Segarra writes 4-6-12( Staff analyst and researcher for CFO.com a business website revewing industry trends in America, “Private Pharmacos Out-sell Drug Stores” <http://www.cfo.com/article.cfm/14632157> DW)

Private pharmaceutical manufacturers seem to be bouncing back from the recession faster than the private drugstores that sell their drugs, according to research from Sageworks, a financial-information company.¶In 2006 the annual revenue growth for private pharmaceutical manufacturers was about 15.6%. Although that number dropped to 10.6% in 2007, it jumped back up in 2008 and stayed within a two-point range. Over the past two years, the sales percent change for private pharmacos averaged 13.84%.¶ "Really through the recession, the manufacturing side didn't take as big of a hit as the store side did," says Sam Zippin, analyst at Sageworks. "They stayed consistent both in their sales growth and in their net profit margin."¶ Pharmacies, on the other hand, fell from about 5.7% in 2007 to a low of 1.12% in 2009. But sales are rebounding, reaching 2.4% last year.¶ One possible explanation for the drop in sales growth at drugstores: pharmacies often sell more than prescription drugs, says Zippin. "If you're in CVS, the candy you buy might also be part of that sales number," he says. "Sales in their other things, like toiletries, food, or candy, might have been going down in other areas. So it depends on how the accountant is breaking it out."¶ It's also possible that drugstores were hit harder by the recession than pharmaceutical manufacturers, since pharmacies were forced to compete with large, mail-order pharmacy benefit managers like Express Scripts and Medco. The two PBMs are moving ahead with plans to join forces after the Federal Trade Commission approved their controversial merger Monday.¶Both privately held pharmaceutical makers and pharmacies have also been plowing increasing amounts of cash into working capital. From 2008 to 2011, the ratio of working capital to assets increased in both industries. The data included private pharmaceutical manufacturers and pharmacies with annual revenues of $1 million to $10 million.

#### B. UHC polices will decrease pharmaceutical research significantly by 2015 **Daemmrich** et al writes in **2011** (A. Daemmrich / U.S.Arthur A. Daemmrich is an assistant professor in the Business, Government and the International Economy unit at Harvard Business School. / Healthcare Reform and the Pharmaceutical Industry [A. Alesina, E. Glaeser, and B. Sacerdote, “Why Doesn’t the U.S. Have a European-Style Welfare 10-11-12State?”]<http://www.hbs.edu/research/pdf/12-015.pdf> DW)

The creation of state-run insurance exchanges as the means by which the United States will ¶ achieve universal coverage under the ACAis an effort to draw upon the advantages of ¶ competition to reduce costs and expand choices. Likewise, pharmaceutical price policy in the ¶ United States has been strongly shaped by economists’ ideas concerning the relationship of ¶ market prices to incentives for research and development. In a series of studies dating back to ¶ the Kefauver investigation in the late 1950s, economists have found that drug price regulation ¶ would reduce expenditures in the pharmaceutical “**silo,”** but at the cost of greater healthcare ¶ spending in other areas and more significantly, a reduction in industry research.¶ Somestudies ¶ have gone so far as to quantify the likely effects of U.S. price regulation as a reduction in ¶ research spending between 36 and 47.5 percent.¶

**C. Internal Link: Pharmaceutical companies' research and development is key to solving pandemics in the future, this also functions as an independent turn on the affirmative.**

**Bandow writes in 2005**, senior fellow at the Cato Institute, 3/27/**05** (Doug, “A strong pharmaceutical industry is the best defense against pandemics”,

<http://wwww.signonsandiego.com/uniontrib/20050327/news_lz1e27bandow.html> DW)

**Diseases like SARS and avian flu, which have proved resistant to drugs commonly used to fight influenza viruses, demonstrate how we all benefit from profitable drugmakers and abundant pharmaceutical research.**Although governments have an important role to play in fighting any disease pandemic,**necessary for developing any effective treatment and putting into mass production any vaccine or other medicine is private industry.** Indeed, the initial fight against SARS focused on finding an existing medicine that worked. Laboratories screened some 2,000 federally approved and experimental drugs to see if they were useful in fighting SARS. Gurinder Shahi, a doctor in Singapore, explained: "Given how little we know about SARS and the reality that it is killing people, it is justified for us to be daring and innovative in coming up with solutions." **Daring innovation is most likely in a competitive, profit-driven market**.For instance, Pfizer worked with the U.S. National Institute of Allergy and Infectious Diseases to test 350 compounds developed as part of an earlier project to cure the common cold. NIAID also collaborated with the California biotech company Vical Inc. to test a new, experimental vaccine that has protected mice from the disease. Adventis and Merck as well as laboratories around the world began working to develop vaccines. Indeed, **most of today's medicines exist only because there is a bevy of sophisticated pharmaceutical companies devoted to finding drugs to heal the sick.**Progress has been particularly dramatic in recent years. For instance, two decades ago not one drug was available to fight AIDS. Today 74 have been approved and another 83 are in development.

**D. Impact: Failure to check back against disease would cause extinction**

2006 Timothy C. Germann et. Al. 2006.\*, Mitigation strategies for pandemic influenza, Published Kai Kadau\*, Ira M. Longini, Jr.‡, and Catherine A. Macken\*

EpiCast large-scale epidemiological simulation model Timothy C. Germann is in the Physics and Chemistry of Materials Group (T-1) at Los Alamos National Laboratory (LANL). Tim earned dual Bachelor of Science degrees in Computer Science and in Chemistry from the University of Illinois at Urbana-Champaign in 1991, and a Ph.D. in Chemical Physics from Harvard University in 1995, where he was a DOE Computational Science Graduate Fellow. dw

**The threat of a global pandemic ultimately leads to the extinction of not only humans, but many other animal species as well. This could occur in as soon as five to ten years, and countermeasures need to be in place to prevent such a global catastrophe. Such an epidemic would be catastrophic, sweeping across all continents in a matter of days. This form of virus could have close to a 100% kill rate, leaving only scattered groups of survivors from all species scattered across separate continents. The chances that the human race could recover from such an event are close to zero.**