

# COMMON CAUSE/NY

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## ***MEDIA RELEASE***

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### ***Good Government Watchdog Releases Data on Political Spending by Pharmaceutical Industry***

#### **After Losing a Major Battle in 2005, Industry Increases Spending**

(July 7, NYC) Today, Common Cause/NY released data documenting the political spending of the pharmaceutical industry since 2003. The data shows that, after losing a major battle in 2005, the industry increased its political spending. In 2006, pharmaceutical interests have thus far blocked two pieces of legislation they oppose, one that would provide public disclosure of the gifts given to doctors and another that would create a system of bulk purchasing of pharmaceuticals.

In 2005, a coalition of advocates won a victory over the pharmaceutical industry when they secured a preferred drug list (PDL) for New York State. Common Cause/NY's research shows that groups that reported lobbying on the PDL spent \$24,479,383 lobbying between 2003 and 2005. These same interests gave \$12,752,325 in campaign contributions during those years.

The preferred drug list, designed to save money by allowing the state to negotiate steep discounts from drug manufacturers who want to have their drugs included among those that doctors are allowed to prescribe to Medicaid patients without prior authorization, was vigorously opposed by the pharmaceutical industry. It was promoted by advocates for seniors, consumers' groups and some labor unions. Finally, some groups representing particular classes of patients, including AIDS patients and the mentally ill, argued that for those conditions, doctors need the freedom to prescribe any drug without the limitations of the list. These groups sought to have their patients exempted from the restrictions of the PDL.

Between 2003 and 2005, pharmaceutical companies and their allies spent \$8,134,100 lobbying in Albany in opposition to the PDL, according to their filings with the New York Temporary State Commission on Lobbying. Those promoting the PDL spent \$4,145,299 lobbying during the same period. Additionally, Common Cause/NY documented \$6,370,323 in lobby spending by groups that sought specific list exemptions,

and \$5,829,661 in spending by organizations that refused to comment on their position, had no official position, or did not return calls for comment.

During the same period, the pharmaceutical industry and other PDL opponents gave \$2,807,986 in campaign contributions (including \$1,342,495.77 from The Medical Society of the State of New York), while organizations supportive of the PDL gave \$5,271,126. Groups seeking specific list exemptions gave \$3,116,863 and those Common Cause/NY could not classify gave \$1,556,351.

While the pharmaceutical industry lost the preferred drug list fight in 2005 when a Court of Appeals decision allowed Governor Pataki to include this change in policy as a part of his budget proposal, 2006 has thus far been a different story. The industry has increased its spending, and managed to block two bills that would provide more detailed disclosure of the gifts given to doctors and create a system of bulk purchasing of pharmaceuticals.

Since 1999 the pharmaceutical industry as a whole (not just those companies that lobbied on the PDL issue) has spent \$2.6 million on campaign contributions. The Senate Republicans, who introduced a watered down version of the gifts disclosure bill at the last minute at the end of the 2006 legislative session, are the single largest beneficiary of pharmaceutical campaign contributions. They received about 1/3 of the money given out by the industry as a whole (over \$850,000 since 1999). The Republican party (including Senators, Assembly Members, the state party itself, Governor Pataki, and gubernatorial candidate Faso) got the majority of pharmaceutical campaign funding—over \$1.5 million since 1999 or 59% of the total amount of campaign contributions given.

Pharmaceutical industry political spending has increased dramatically since the Governor first attempted to institute a PDL in 2003.

- Campaign Contributions: While even numbered years generally have higher contribution totals than odd years (politicians fundraise more during election years) pharmaceutical industry campaign contributions have increased steadily if you compare election years to election years (or non-election years to non-election years).
- Lobbying: There has been an increase each year since 2003 in total lobby spending by the pharmaceutical industry as a whole. Additionally, if you compare the data available this year (Jan-April) to the same time period in other years, industry lobby spending has increased by approximately \$100,000 per year:

Year	Total Lobbying Through April
2003	\$646,834.00
2004	\$731,013.00
2005	\$870,161.00
2006	\$971,526.00

Advocates note that the Governor was able to circumvent the legislature in 2005 by including the

preferred drug list as a part of the larger budget. To turn down the PDL, the legislature would have had to turn down the entire health budget. This year, however, the industry thus far seems to have successfully blocked passage of the two bills they dislike. “The question is,” says Common Cause/NY’s Rachel Leon, “what role does their increased political spending play in that victory?”

This analysis is part of the “Connect the Dots” series, which seeks to educate the general public about how money in politics influences a wide variety of issues in New York.

Common Cause/NY is a citizen's lobby with more than 20,000 members across New York State whose goal is open and accountable government.

*Note on Methodology: Common Cause/NY used the online records of the New York Temporary State Commission on Lobbying and the New York State Board of Elections to generate data on lobby and campaign spending. We relied on bi-monthly reports submitted by lobbyists for our data, and used only those lobby reports that specifically cited PDL as an issue or listed a relevant bill number to determine the amount spent lobbying for and against the PDL between 2003 and 2005. Additionally, we included in our report all campaign contributions made by entities lobbying for or against the PDL, though it should be noted that campaign contributions cannot be directly tied to advocacy on any issue but merely provide a general sense of the political influence of the players involved in a debate. Data on pharmaceutical industry lobby spending as a whole includes all industry lobby reports, not just those that cite the PDL. Data provided to both the Commission and the Board is self-reported by lobbyists and campaign committees, and is therefore subject to error. In order to determine the positions of lobbyists on the PDL, CC/NY relied on publicly available position statements, press statements and phone calls to the lobbying firms. In some cases our calls were not returned or lobbyists declined to comment on their position, and we were therefore not able to classify every entity that lobbied on the PDL as being in support or opposition to the bill.*