

Big Pharma fought drug pricing reform with record \$7.5M dark money donation



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In August, the Department of Health and Human Services announced 10 drugs selected for the first round of Medicare price negotiations—a landmark effort established by the 2022 Inflation Reduction Act to try to drag down the country's uniquely astronomical prescription drug prices.

Pharmaceutical companies publicly balked—and also sued—then eventually came to the table. But it was far from their first protest of the Democrat-led effort to reform drug pricing in

the US, which pays far more for prescription drugs than other high-income countries.

In 2022, the pharmaceutical industry's top lobbying group, PhRMA, gave a record \$7.5 million to the GOP-linked dark money group, American Action Network (AAN), which spent millions on advertising that year opposing drug pricing reforms, some of which made it into the Inflation Reduction Act.

The revelation was announced by Issue One, a campaign finance reform advocacy group that reviewed federal tax filings. Issue One also highlighted that the \$7.5 million donation was the largest donation to date that PhRMA has given AAN.

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From 2010 to 2022, PhRMA has given the dark money group more than \$34.5 million. In 2016, PhRMA gave \$6.1 million to AAN as it stealthily backed an aggressive Republican effort to try to repeal the Affordable Care Act, which was ultimately unsuccessful.

"Public policymaking should be done on behalf of the public's interest, and the forces involved in policymaking should be operating in daylight, not darkness," Issue One CEO Nick Penniman said in the announcement. "Unfortunately, our findings suggest that neither is true when it comes to the pharmaceutical industry. That's a shame for public health, for government spending, and for Americans who can't afford the drugs they need."

Dark money groups like AAN are politically active groups that are not required to reveal their donors publicly. But, certain donors—including PhRMA—are required to report their contributions as expenditures on tax filings. Issue One obtained an annual tax filing PhRMA submitted to the IRS last week.

Politico also reported that PhRMA gave \$1.6 million in 2022 to the centrist dark money group Center Forward, which funneled

money to Democratic lawmakers who hampered the party's drug pricing reform efforts.

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