

JOBE PUBLISHING, INC.

OPINION

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Local news is good for business



Dean Ridings
CEO America's Newspapers

It's no secret that recent years have been tough on small businesses and on newspapers. A bipartisan bill, the Community News & Small Business Support Act, that has been introduced in Congress would offer relief to both newspapers and local businesses. For too many newspapers, help can't come soon enough. Economic challenges have resulted in too many communities seeing their local newspapers being forced to lay off staff, cut back on publication days or — worse yet — close. On average, two newspapers are closing each week. That hurts local businesses and residents in the long (and short) run. However, despite the challenges, what remains true is that local newspapers make a difference in their communities.

But, don't just take my word for it. Let's look at the numbers and why America's Newspapers has been pushing for the Community News & Small Business Support Act to be introduced.

A recent national study of 5,000 Americans over the age of 18 was conducted by the independent research firm Coda Ventures for America's Newspapers, and provides compelling evidence of the importance, relevance and vitality of today's newspapers in the American media landscape.

Readers told us that their local newspaper makes a difference. The study shows that 79 percent of Americans read/use local news "to stay informed" about their cities, counties and communities. They also said they rely

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~LETTER TO THE EDITOR~

Highly recommend Hosparus Health

When my late wife's health began to take a dramatic downward turn around Memorial Day, our daughter (a retired RN in Louisville), suggested I call Hosparus Health of Barren River, Glasgow to help me with her care.

She had used that organization up there when her husbands health became terminal. Reluctant at first, I soon realized that I didn't have the proper training for these circumstances and so I called Hosparus. The people I spoke with, prior to someone coming to the house, were understanding & extremely helpful. The staff that did perform services in person were excellent. I cannot praise highly enough the Kindness, understanding, knowledge, professionalism & care these nurses provided.

I would like to give special praise to Cindy, Janie, Tabitha & Magee who were the primary caregivers in our home. They made my wifes final days as comfortable as was humanly possible. I cannot thank them enough for this.

Anyone who is faced with the possible loss of a loved one should seriously consider utilizing the services of this fine organization. They were wonderful.

Thank you all,

Sincerely,
Robert Olinick, Glasgow

What can be done to lower drug prices?

Everyone seeks a way to bring down prescription drug prices. The devil is in the details. Unfortunately, recently proposed bills fail to comprehend the problem and I fear they will actually raise drug prices.

Just recently, a drug pricing bill came up in the Senate's health care committee. Instead of lowering drug prices, this bill likely will put more money in the pockets of the big pharma CEOs.

The bill would put more regulations on pharmacy benefit managers (PBMs) and ban some of their contracts altogether. But what are PBMs? If the average American has heard of them at all, it was probably on a TV ad accusing them of being "middlemen" who drive up drug costs. But nobody ever bothers to explain what they do.

Insurance companies hire PBMs to negotiate with drug makers to get lower drug prices for the people in their plans. The drug companies want to sell high; the insurance companies want to buy low. PBMs use their size and bargaining power to drive prices down, not up. If PBMs pushed prices up, insurance companies and businesses would refuse to hire them.

But pharmaceutical companies aren't the only ones who have to negotiate with PBMs. Local pharmacies do, too. One complaint I often hear is that



Rand Paul
United States Senator

compared to community pharmacies, PBMs are just too big and powerful so negotiating on an even plane is not possible. Multi-billion-dollar drug companies can compete on equal footing with PBMs, but local pharmacies can't always do the same.

That argument makes sense to me. That's why I support letting pharmacies join with other groups that negotiate with PBMs, like hospitals and physicians, to bargain collectively, just like labor unions do. I offered an amendment to the far-left's bill that would allow community pharmacies this freedom, but Democrats wouldn't even allow a vote on it.

If that sounds like a rigged system, it's because it is. If this bill was really meant to empower community pharmacists, as some people mistakenly think, why wouldn't they allow a vote on an amendment to do exactly that?

The truth is the left's bill is being rammed through the Senate because some special interests want to weaken PBMs. Drug companies don't like

that PBMs have the size and bargaining power to cut into their profit margins, and they blame a complicated payment system PBMs use for why they won't lower prices.

Drug companies want to sell as many prescription drugs as possible. They pay large rebates so PBMs will list their drugs in health plans where they will be prescribed to the most patients. When this system works properly, the drug company gets to sell the most drugs at the lowest price, and since the insurance company saves money, patients benefit from lower premiums.

But why use rebates at all? Why not offer discounts up-front? The reason is a Depression-era antitrust law called the Robinson-Patman Act, which makes it illegal for anyone who sells "commodities" to offer different prices based on who they are selling to. The Federal Trade Commission hasn't enforced this law in 40 years, but since it's still on the books, it affects market behavior.

In the 1990s, a group of pharmacies filed a class action lawsuit,

In re Brand Name Prescription Drugs Antitrust Litigation, under Robinson-Patman against the big drug companies for not giving pharmacies the same discounts they gave to HMOs, because unlike pharmacies, HMOs could influence which drugs doctors prescribed. As part of a settlement, drug companies were allowed to offer discounts, but only retroactively, after a buyer showed an ability to move market share. That's how we got the rebate system we have today.

So why is the progressive left and big pharma teaming up to get rid of rebates? Perhaps it's because if we eliminate rebates but the Robinson-Patman Act stays in place, PBMs will be disarmed. Drug companies will point to the risk of antitrust lawsuits as an excuse not to offer up-front discounts, and if PBMs can't offer rebates, there won't be any downward pressure on drug prices.

Like so many misguided policies in Washington, this bill may actually raise drug prices. If that happens, just imagine the outcry for a single-payer health care system with government price controls. Maybe that's exactly what the left is betting on—that if drug companies have free rein, the American people will get fed up fast, and demand a socialist paradise.

Let's hope they don't get their wish.