



Arnolds Try New Tactics To Fight PhRMA Lobbying In States

By Rachel Cohrs

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Billionaire couple Laura and John Arnold have changed up their political spending game to strengthen their position as a counterforce to pharma's deep-pocketed efforts to kill state bills to lower drug prices.

Arnold Ventures' political arm, the Action Now Initiative, funded a state-level consumer group's lobbying efforts to persuade Maryland lawmakers [to create the first state board](#) that could have the power to lower what the state pays for drugs.

Now the Arnolds' political spending fund is bankrolling efforts to do likewise in Massachusetts.

The pharmaceutical industry's presence in the states is formidable, and pharma aggressively fights even minor state legislation, said Peter Maybarduk, the director of Public Citizen's access to medicines program. In 2018, the brand-drug lobby and its member companies spent a combined \$2.7 million paying lobbyists in Massachusetts, state lobbying disclosures show.

However, the Arnolds don't have to match pharma dollar for dollar to overcome industry opposition to state initiatives to lower drug prices, Maybarduk said.

"The reason the state work can work -- despite the massive funding on pharma's side -- is that the state drug price reformers are right, and the people are with them. When we choose our fights well, it's just a matter of having sufficient resources to coordinate the response," Maybarduk said. "We don't need resource parity -- we need the fighting chance."

The donor-advised Action Now Initiative started its strategy of funding established, state-based consumer groups pushing affordability review boards with grants to the Maryland Citizens' Health Initiative in 2018 and 2019. Maryland Citizens' Health Initiative President Vinny DeMarco said he reached out to Arnold Ventures to ask them to support the group's advocacy for an affordability review board bill.

The consumer advocacy group was a key driver in the state legislature's passage of a bill creating an affordability review board this year. Lawmakers [watered down the bill from its original version](#) by limiting the board's jurisdiction to government payments and requiring that either a legislative policy committee or the attorney general and governor approve its payment-setting authority in 2021.

Patients for Affordable Drugs Now, a separate Arnold-funded 501c4 entity, ran digital ads in Maryland calling for Gov. Larry Hogan (R) to sign the state legislature's affordability review board bill. Ben Wakana, executive director of Patients for Affordable Drugs Now, said the group chose to intervene in Maryland independently. Hogan hasn't signed the bill into law, [but he recently spoke positively of it](#).

This year, the Action Now Initiative also gave a grant to Health Care For All in Massachusetts to support advocacy for affordability review board bills. Massachusetts' pending version of the legislation would not create a new entity to review drug prices, but would give payment-setting authority to the existing Massachusetts Health Policy Commission. The commission is an independent agency that monitors health care costs in the state.

It is unclear how much the Action Now Initiative has given to the two consumer groups in 2019, as both Arnold Ventures and the consumer groups declined to provide details about the grants. Grants from the Action Now Initiative in 2017 to 501c4 groups ranged from \$42,000 to \$1.2 million, according to financial disclosure forms.

The Action Now Initiative's sister 501c3 entity, [the Laura and John Arnold Foundation, has been deeply involved in drug-pricing issues](#). The group spent \$10 million to establish the hospital-led nonprofit generic drug manufacturer Civica Rx, and it gave money to the drug-value research group Institute for Clinical and Economic Review; patient advocacy group Patients for Affordable Drugs; Memorial Sloan Kettering Drug Pricing Lab; Kaiser Health News, which supports journalism about prescription drug prices; and the Alliance for Health Policy, which hosts briefings on Capitol Hill about health policy issues.

The foundation also gave the Maryland Citizens' Health Initiative's nonprofit arm \$200,000 grants in 2017-2018 and 2018-2019 to fund campaigns on drug pricing generally and the state's generic price gouging law, [which was struck down when the U.S. Supreme Court declined](#) to hear the case and left in place a lower court ruling against the law. The Foundation is also funding Health Care For All in Massachusetts this year. The Arnold Foundation is one of many partners funding the nonprofits. -- *Rachel Cohrs* (rcohrs@iwnews.com)

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