

# The United States Should Place Price Controls on the Pharmaceutical Industry

## Background

The rapidly increasing cost of drugs is an ever-growing problem for Americans. As time goes on, fewer and fewer people are able to purchase the medications they are prescribed. This research analyzes the benefits for price controls on the United States pharmaceutical industry and aims to investigate the most practical, efficient methods of implementing price controls. To provide a greater number of Americans access to medical care, the United States government should place price controls on the pharmaceutical industry. I found that one particularly effective method of implementing price controls on the pharmaceutical industry would be limiting the profit margin pharmaceutical companies can make selling the drugs after the costs of research and development. Further research is needed to determine how large optimal profit margins would be.

## Methods

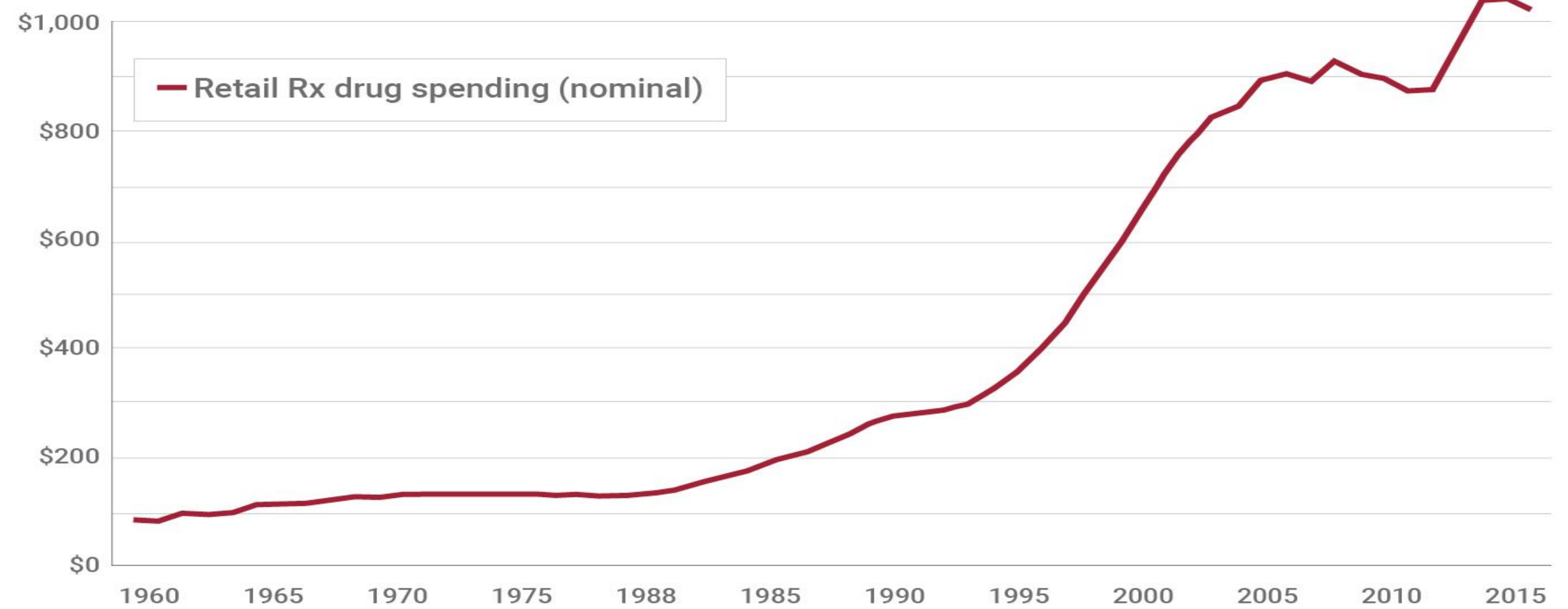
Online research was conducted to find primary and secondary sources detailing the impacts of high drug prices in the United States, comparing the healthcare policies in the United States with policies in other countries, and exploring potential solutions.

## The Military

The US Military already operates under a system of profit-margin price controls. Some of the largest companies in the world (Boeing, Lockheed Martin, L3 Harris) have been able to thrive with these controls

## SPENDING ON PRESCRIPTION DRUGS HAS RISEN RAPIDLY

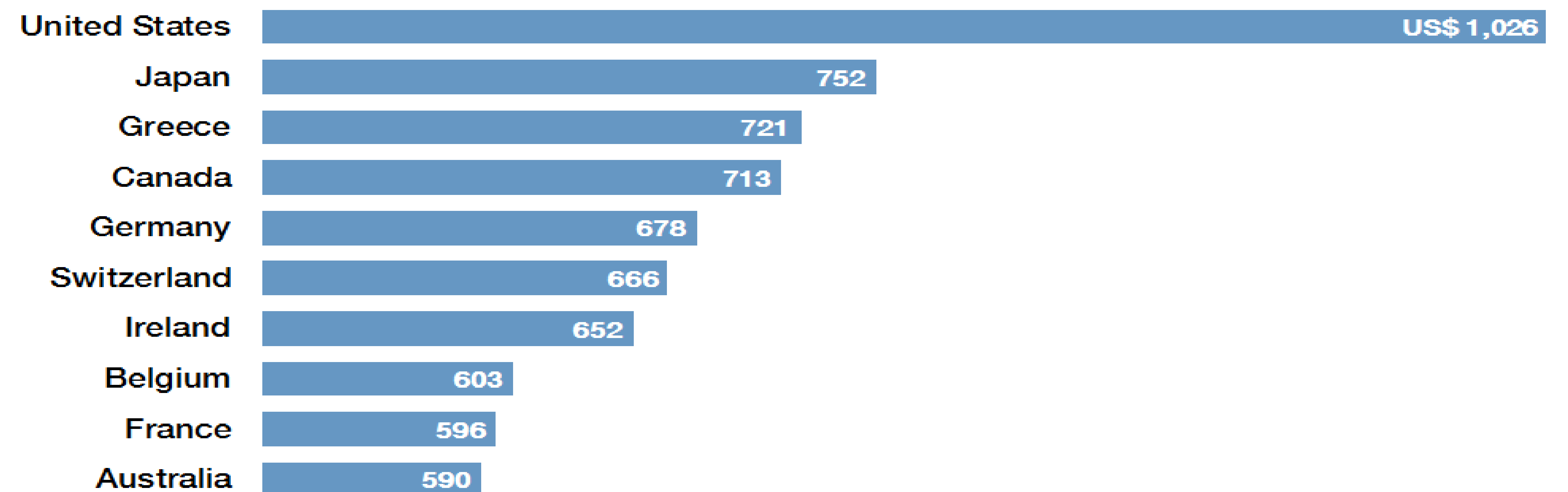
Nominal and inflation-adjusted per capita spending on retail prescription drugs



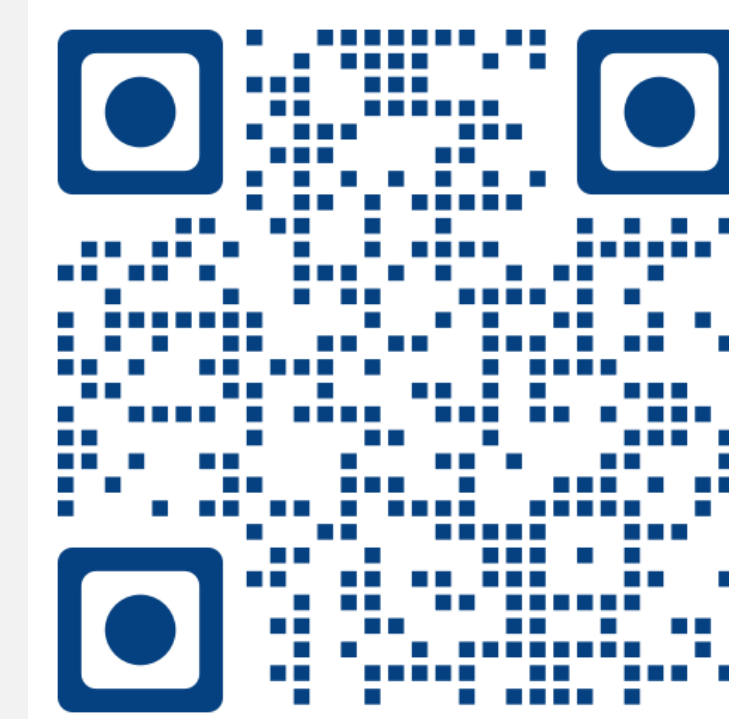
Source: Kaiser Family Foundation Analysis of National Health Expenditures Account

## Which countries spend the most on medicine?

Retail spending per capita on pharmaceuticals, US\$ PPP



Source: OECD



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