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/THE FIRST WORD**Taking the Initiative in Health Care Reform****T**

here was considerable hand wringing over what is perceived by some to be the imminent sacrifice of biotechnology at the altar of health care reform and drug pricing regulations at the Biotechnology Industry Organization (Bio) fall conference held in Washington in September. But numbers and common sense belie biotechnology's status as a sacrificial lamb. The industry showed a 17 percent increase in sales between 1991-1992, and its research and development budget increased to nearly \$6 billion. And according to Ernst and Young's (San Francisco, CA) recently released survey "Biotech 94: Long-Term Value, Short-Term Hurdles" (see B.J. Spalding's summary on p. 1216), 1272 U.S. biotech companies employ 97,000 people and have a market capitalization of \$45 billion.

This pales in comparison to the pharmaceutical big 15's capitalization of \$262 billion, and the 618,000 people they employ, but it does mean that, as a stand-alone industry and in partnership with the pharmaceuticals, biotechnology is capable of considerable political clout. This supposition was given credence by the presence of four U.S. senators at the Bio meeting, all of whom seemed to appreciate that the health of biotechnology as an industry is vital for the economies of their home states and their constituents at a variety of levels.

While animosity toward the Clinton administration, and politicians in general, ran high at the meeting, several speakers acknowledged that the current move toward universal health care—an issue the U.S. has intermittently, and reluctantly, taken up over the last fifty years—is not a Clinton campaign artifact, but a market-driven phenomenon. Even traditional enemies of earlier health care reform efforts concede that we can no longer afford to go on as we have, with health care costs that now exceed \$850 billion, consume more than 14 percent of the U.S. gross national product, and still leave more than 37 million people uninsured.

It is certainly, as Bob Kerrey, Democratic senator and former presidential candidate from Nebraska, pointed out, time to ask hard questions and examine the economics of health care against the demands for quality access. What are the costs and what are we willing to pay? To paraphrase the senator: Are we prepared to alert those who are working on a cure for, say, asthma, that they should make sure that the cost of the cure stays within the confines of the consumer price index + population equation? Or that they should drop the project if it doesn't meet budget? If a \$500,000 cure is discovered, are we willing to have people treated on an ability-to-pay basis? And am I also willing to pay to have my neighbor's rotator cuff kept in perfect tennis-playing condition for the 90 or so odd years he'd like to keep up his game?

As a well-spring of truly innovative drugs and medical technologies, and jobs for economically hungry regions, biotechnology collectively is in a position to help take the health care dialogue forward by participating in the political processes that will shape forthcoming legislation. Representatives of various biotechnology companies have already begun making the rounds with critiques of Clinton's blurry blueprint. It would be gratifying if, beyond the rhetoric, these critiques also included some specific proposals for industry self-regulation and unvarnished figures for the costs of developing new drugs. Only then will we be in a position to address Senator Kerrey's questions. It is clear that, to date, market forces alone have not provided satisfactory answers.

—SUSAN HASSLER