

STATE SENATOR • GRETCHEN WHITMER • 23RD DISTRICT

Whitmer Press Release

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Whitmer: Drug Industry Immunity Law Worsening Already Dire Budget *Taxpayers are forced to cover costs of damages done by dangerous drugs*

LANSING-Senator Gretchen Whitmer (D-East Lansing) said today that potentially hundreds of millions of taxpayer dollars could be recovered if the State Senate would just repeal Michigan's drug industry immunity law.

"It is urgent that we do not allow big out-of-state drug corporations to escape responsibility for the harm they have caused and leave Michigan taxpayers paying the price for their negligence," said Sen. Whitmer. "If my Senate Republican colleagues want to figure out a way to cut state spending and limit our budget shortfall, they should take up this legislation next week. Repealing this failed law will restore justice to Michigan citizens and hold manufacturers fiscally accountable for their life-threatening mistakes."

Evidence provided to the House of Representatives before they passed their version of the repeal estimates the cost to Michigan for medical care, Medicaid reimbursement, and liability for overcharges for later-recalled drugs reach into the hundreds of millions of dollars. Texas and New York, both states also dealing with severe budget shortfalls, were allowed to pursue drug makers to reimburse taxpayers for Medicaid costs of fraud and overpricing.

Because the drug industry immunity law prohibits recovery from the makers of deadly drugs, Michigan businesses like local insurance carriers, and local governments such as self-insured municipalities as well as the state are forced to incur those losses instead. All 49 other states and their local insurance carriers and local governments are free to collect reimbursements from the makers of drugs that injure and kill.

Michigan's one-in-the-nation law has not been a boon for jobs and the state's drug manufacturing industry either. Pfizer and many other companies have packed up their pill bottles and left the state. In fact, six years after passage of the drug immunity bill, Michigan had only 2.5% of all US jobs in pharmaceutical and medicine manufacturing.

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