

LE Magazine September 2008

AS WE  
SEE IT**Would You Tolerate This Abuse?**

By William Faloon

Americans needlessly die while scientific discoveries that could save their lives remain trapped in bureaucratic red tape.

There is a solution to this travesty. Allow *free market* innovation into the health care arena, and the development of new medical therapies will progress as rapidly as other technologies.

Do you remember how expensive long distance phone calling used to be?

Back in **1980**, archaic federal rules enabled the original AT&T to control national long distance dialing. You could recognize a long distance call by the hissing and crackling noise heard before the caller spoke. High-speed internet and mobile phone connections were not available.

In **1980**, the *Life Extension Foundation* was in its infancy. Making long distance calls during the day was unaffordable to us. We waited until after 5:00 PM to make brief long distance calls. For calls that involved a lot of talk time, we scheduled these after 11:00 PM (or on weekends) when rates were at their lowest.

By **1982**, we needed to install a toll-free "800" line, but feared the high cost. The **50-cent per minute rate** caused concern that we might not be able to afford the monthly bill. Factoring in inflation, **50 cents** in 1982 is equivalent to **\$1.16** today. That meant that if our 800 line was used just four hours a day, the monthly cost would be **\$6,960** in today's dollars.

**CONSUMERS FOUGHT BACK**

There was quite a debate around 1980 as to whether consumers would benefit if other companies were allowed to compete in offering long distance services. AT&T heavily lobbied Congress arguing that all kinds of terrible problems would occur if it lost its monopoly.

AT&T pointed to its stellar record of scientific advances and threatened that if it could not charge its monopolistic rates, then further improvements in communications technology would be hindered. AT&T's track record for scientific prowess gave them a strong argument.

Fortunately, free market theory prevailed and AT&T was forced to relinquish its stranglehold over long distance calling in the United States. The transition was by no means smooth. The initial long distance competitors' services were clearly inferior to AT&T. We at Life Extension found it frustrating to initiate long distance calls over these discount carriers' networks. One newspaper columnist complained that he was tired of being solicited by these substandard discount carriers and wanted the government to reinstate AT&T's monopoly.

**HOW TIMES HAVE CHANGED**

Anyone who has paid attention to long distance rates over the past 28 years appreciates the *enormity* of the benefit brought about by abolishing AT&T's monopoly.



William Faloon





Consumers used to pay over **60 cents per minute** for daytime long distance calls (equal to **\$1.39 per minute** in today's depreciated dollars).<sup>1</sup> Can you imagine if you had to pay **\$250 for three hours** of long distance calling? This would be unthinkable today where for **under \$40** a month, you can have an **unlimited** long distance service that usually includes local connection charges.

Consumers today save a whopping **84%** compared with **1980**, even if they only make three hours of long distance calls a month. Unlike AT&T's threats of technological stagnation, the quality, reliability, and speed of today's long distance phone service are vastly superior.

As far as Life Extension's toll free service, our rate has dropped to **1.6 cents per minute**. Back in 1982, we were paying the equivalent in today's dollars of **\$1.16 per minute** for *inferior* service. When adjusted for inflation, we are saving **99%** compared with what we paid in 1982.

## WHY DO AMERICANS TOLERATE PHARMACEUTICAL MONOPOLIES?

What if the federal government outlawed long distance competition and returned to the monopolistic ways of the past? If this were to occur, I am certain that **every** elected politician (who voted for this) would be thrown out of office.

Yet the public today tolerates federal and state laws that enable pharmaceutical companies to conduct business as a virtual monopoly. The result is that Americans pay **outlandish** prices for **mediocre** drugs that are often laden with **side effects**.

As AT & T did in 1980, drug companies seek to deceive Congress and the public by stating their high prices are **needed** in order to discover better technologies. The reality is that after decades of exorbitant drug pricing, one's odds of surviving a serious disease using conventional methods are **not** substantially improving. Yet drug prices are exponentially higher.



Citizen *apathy* has allowed this economic and medical bloodbath to occur. One of *Life Extension's* missions is to provide the hard facts so that today's antiquated regulatory system can be **eradicated**. We believe that in a *free market environment*, technological breakthroughs that occurred in telecommunications will also happen in medicine.

## UNREGULATED SUPPLEMENT PRICES PLUMMET

Unlike regulated prescription drugs, the cost of dietary supplements has plummeted over the past three decades.

For example, when **coenzyme Q10** (CoQ10) was first introduced to Americans in **1983**, a bottle containing **1,000 mg** (100 10-mg capsules) retailed for **\$30**. In **2008**, the retail price of a bottle containing **5,000 mg** (100 50-mg capsules) of a **superior** form of CoQ10 (ubiquinol) is **\$58**. Based on milligram potency alone, the cost in inflation-adjusted dollars for CoQ10 has come down by **83%**.

If the FDA had succeeded in turning CoQ10 into a drug as it tried to do in the early 1980s, you might be paying **\$337.50** for what retails now for **\$58** (and costs *Life Extension* members far less).

Under the FDA's regulatory stranglehold, it is unlikely that the superior ubiquinol form of CoQ10 would have been "approved" any time soon. This would force Americans to pay the inflated price (\$337.50 per bottle) for a less-than-optimal product. This illogic is what monopolies are all about, and why they cannot be allowed to exist.



If one looks at the price history of dietary supplements, costs are substantially lower now than when they were originally brought out. When **SAME** was first introduced to Americans in **1996**, it cost **\$45 for 4,000 mg** (20 200-mg tablets). This was the European-regulated "drug" price. Soon after it became an *unregulated* supplement, the price went down a great deal. As more manufacturers competed to make SAME, the price plummeted to where Life Extension members can obtain **8,000 mg** (20 400-mg tablets) for only **\$21**. Thus SAME now costs **77% less** than when it was originally introduced.

Prescription drug costs, on the other hand, have *skyrocketed* at a rate that far *exceeds* inflation. The difference is that prescription drugs are heavily *regulated*, as opposed to dietary supplements that are sold under *free market* conditions.

## TODAY'S HEALTH CARE CATASTROPHE

I accumulate so many reports about today's health care calamities that it is not possible to fit them into one issue of *Life Extension* magazine. To remind you of recent findings, we have reprinted a few of the appalling headlines.<sup>2-10</sup>

As you can clearly see by these reports, unless *radical* legal changes are made, Americans will continue to pay **high** prices for **dangerous** drugs that have **limited** efficacy.

More frightening is the *suffocating* effect that *regulation* has on the discovery of life-saving therapies. Just imagine if advancement in clinical medicine progressed at the same rapid rate as telecommunications. If it did, we would probably have **cures** for most killer diseases today!

For example, the first direct-dial transcontinental telephone call occurred in **1951**.<sup>11</sup> That first call took 18 seconds to complete, had lots of static in the background, and most consumers could not readily afford it. Move forward to **2008**, and we all have access to clear phone connections across the country instantly at minimal cost.

Now look at the dire prognosis for *pancreatic cancer* patients today. A patient diagnosed with pancreatic cancer in **2008** typically lives just a few months longer compared with **1951**.<sup>12-14</sup> Yet the price for these additional months of life can be **thousands of times** higher than that in **1951**.<sup>15</sup>

We need to swiftly *improve* medical science at a speed analogous to telecommunications, computers, and other unregulated technologies.

### SCATHING FDA REPORT PROVIDES BASIS TO REVOLUTIONIZE MEDICINE

The FDA has provided a rare opportunity to enact legislation that can enable Americans to quickly gain access to life-saving medical therapies.



As reported two months ago in my article "*The FDA Indicts Itself*," the FDA did a study of itself and its findings revealed that it is **scientifically incompetent and incapable** of doing its job.<sup>16,17</sup> These are not mere allegations from outside critics, but are instead the FDA itself admitting that it **cannot** carry out its mission.

There has never been a better time for a comprehensive overhaul of the FDA. Everything about it - from its mission to its management - needs to be taken apart, reviewed, redefined, and recreated so that it helps support, rather than obstruct, a vibrant free market in health care science.

### AMERICAN ASSOCIATION FOR HEALTH FREEDOM TO COORDINATE NEW CAMPAIGN

I am pleased to announce that the **American Association for Health Freedom**, an organization committed to complete reform of the FDA, is spearheading a campaign to change today's broken system.<sup>18</sup> This is not our organization, but one that represents a coalition of integrative physicians, health care consumers, and health freedom activists around the country.

The approach that the **American Association for Health Freedom** is proposing will enable Americans to access affordable, safe, and effective therapies that are being denied to them now.

We at *Life Extension* are proud to be a sponsor of the **American Association for Health Freedom** and join other visionary leaders who support it.

### CAN LOGIC PREVAIL OVER LETHAL DOGMA?

There are pessimists who think Americans will **not** be able to achieve true health freedom in the immediate future. Naysayers complain that if free market principles are extended to health care, some terminally ill patients will die sooner if experimental therapies fail.

My response is to again analogize what happened when long distance phone calling was deregulated. Sure, there were problems in the beginning, but look at where we are today with a dependable low-cost phone service affordable to all. Even more impressive are the incredible *advancements* in high-speed internet access and mobile phone connectivity that would have been unthinkable in the early 1980s.

A lot of my enthusiasm for a free market approach to health care is based on my own confidence in judging which novel medical therapies are truly safe and effective. A look at *Life Extension's* 28-year track record shows that we have been able to identify

life-saving approaches to combating disease long **before** they are approved by the FDA.

Have we made mistakes? Yes, we have fallen victim to a few fraudulent studies that caused us to recommend products that we later found did not work. We have not, however, recommended products that killed anyone. Contrast this to *regulated* FDA-approved drugs that have collectively *killed millions of Americans* over the past three decades.

I believe the *logic* of letting the free market determine what therapies Americans may use to prevent and treat disease will defeat the *cynics* who fear changing the regulatory quagmire that exists today. Existing laws that protect against real health fraud will still enable charlatans to be stopped and prosecuted.

### WE HAVE DONE IT BEFORE?

For those who don't know the history of the **Life Extension Foundation**, we have battled bureaucratic ineptitude since the early **1980s**. Our overriding motivation is the fact that our very *lives* are at stake if we fail to abolish today's *obsolete* regulation of our health care.

One of our victories was the passage of the **Dietary Supplement Health and Education Act** (DSHEA).<sup>19</sup> This legislation enabled consumers to learn about some of the benefits of dietary supplements. When the **DSHEA** legislation was initially proposed, it was apathetically viewed and most people thought it could never be enacted.

It took five years to pass DSHEA, but we eventually rallied so many consumers and industry leaders that Congress passed this landmark legislation. Please know that Life Extension was not the only one responsible for passage of DSHEA. Our support at its embryonic stage, however, set the stage for DSHEA to evolve from an obscure snowball in **1989** to an unstoppable avalanche in **1994**.

It is now time again to educate Congress about the urgent need to reform the FDA. I plan to use the enormous success of long distance phone *deregulation* to help persuade the public and Congress that today's health care cost crisis will largely *disappear* if we return to free market principles in health care.

### CONGRESSIONAL PETITION TO REFORM THE FDA

To persuade Congress to address this monumental problem, a Petition to Reform the FDA has been drafted.

Our first mission is to collect so many names on the **Reform FDA Petition** that it compels Congressional action. We will hand deliver the Petition to Congressional leaders and urge them to enact comprehensive FDA reform.

I ask *every Life Extension* member to put their name on this Petition so that Congress knows the citizenry is behind this groundbreaking initiative.

The easiest way to sign the Reform FDA Petition is to do so online. This new website has been set up by the American Association for Health Freedom (AAHF), an independent non-profit organization committed to the total overhaul of the FDA.

For longer life,



William Faloon

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# AS WE SEE IT

## Headline Quotes Reveal Just A Few Examples of Today's Health Care Crisis

By William Faloon

### THE \$34 TRILLION PROBLEM

Medicare is poised to wreak havoc on the economy. And our presidential candidates are avoiding the issue.<sup>2</sup>

### ELI LILLY SETTLES ZYPREXA® LAWSUIT

\$15 million settlement announced; state of Alaska alleged the drug caused health problems that cost Medicaid program hundreds of millions.<sup>3</sup>

### STUDY: DRUG ERRORS HURT ONE IN 15 HOSPITALIZED KIDS

Medicine errors, overdoses, bad reactions harm one in 15 hospitalized kids. This estimate translates to 7.3% of hospitalized children, or 540,000 kids annually. Patient safety experts say that the problem is most likely even bigger than the study suggests.<sup>4</sup>

### US LAGS BEHIND 41 NATIONS IN LIFE SPAN

For decades, the United States has been slipping in international rankings of life expectancy, as other countries improve health care, nutrition, and lifestyles.<sup>5</sup>

### FDA BLAMED FOR DIP IN NEW DRUGS

New drug approvals down 31% so far this year: report; FDA still stinging from Vioxx® approval.<sup>6</sup>

### BUREAUCRATIC OBSTACLES SHOULDN'T STAND IN THE WAY OF THE TERMINALLY ILL

Back in 2001, a vivacious, 21-year-old student at the University of Virginia - Abigail Burroughs - died of cancer. Her death was particularly heart-wrenching because, in the final weeks of her life, she was denied access to two investigational anticancer drugs recommended by her oncologist. The FDA later approved the drugs.<sup>7</sup>

### US REPORTS OF DEATH, SIDE EFFECTS FROM PRESCRIPTION DRUGS TRIPLE

Reports of dangerous side effects and deaths from widely used medicines almost tripled between 1998 and 2005, an analysis of US drug data found.<sup>8</sup>

### WOMAN LEFT IN CT SCANNER AFTER CLINIC CLOSES

A cancer patient says she was left alone in a CT scanner for hours after a technician apparently forgot about her. She finally crawled out of the device, only to find herself locked in the closed clinic. Doctor says it has happened before.<sup>9</sup>

### BREAST CANCER PATIENTS MAY FACE MORE HEART RISK

Breast cancer survivors may face increased risk of heart disease. Doctors are debating if it is time to largely abandon a chemotherapy mainstay that is one reason for the problem.<sup>10</sup>

# AS WE SEE IT

## Petition to Reform the FDA

In November 2007, a 60-page report entitled FDA Science and Mission at Risk was released by the FDA. In this report, the agency admitted that it lacks the competency and capacity to keep up with scientific advances.

The FDA now admits that Americans are suffering and dying because the FDA does not have the scientific ability to ascertain if new drugs are safe or effective or to evaluate scientific claims.

Meanwhile the FDA censors the communication of scientific information and opposes or bans cheaper and often more effective natural remedies in a misguided effort to maintain an FDA-approved drug monopoly.

Some members of Congress think that giving the FDA more money will solve these problems. But the FDA report itself admits that the agency's scientific ineptitude is not solely due to a lack of money. We should not give the admittedly incompetent FDA any more tax dollars. And we should not finance it with drug company money either because then the agency no longer works solely for the public. Rather than give the failed FDA more money, give it instead a total reform and restructuring.

A reformed FDA should liberate consumers from the chains of archaic medical restrictions that cause millions of Americans to needlessly suffer and die each year. It should support, not censor and hold back, science and innovation.

This should not be viewed as a political issue. Think of what will happen when your next family member (or you) suffers a health catastrophe that cannot be cured because the admittedly incompetent FDA failed to allow or approve a safe and effective therapy.

We, the citizens whose signatures appear below, respectfully request immediate action to reform the FDA. A total overhaul is urgently needed. Everything about the FDA must be taken apart, reviewed, redefined, and recreated so that it supports, not obstructs, the mission of advancing medical science and vibrant good health for all.

Signed: \_\_\_\_\_

Printed name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: (optional) \_\_\_\_\_

Mail to: American Association for Health Freedom  
4620 Lee Highway, Suite 210, Arlington, VA 22207  
(or do so online by logging on to [www.ReformFDA.org](http://www.ReformFDA.org))

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