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'A slippery slope': Pfizer sells a contraceptive and donated to political groups that could come after the company



By Ed Silverman<sup>2</sup> July 1, 2022



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Generally speaking, a company would not want to contribute to a politician whose actions could hurt its sales. But one of the biggest drugmakers may have set iself up for that kind of dichotomy.

Since 2018, Pfizer contributed to three groups that, in turn, played a notable role in overturning Roe v. Wade through their support of elected officials. And a future item on the politically conservative agenda may be

contraceptives sold by the company, a scenario that could suggest they acted against its own financial interest.

Specifically, the company donated to the Republican State Leadership Committee, the Republican Attorneys General Association, and the Republican Governors Association. These are political groups that helped conservatives gain control of legislatures and the highest offices in states where anti-abortion bills were passed and signed, or lawsuits were filed to ban or greatly restrict abortion.

For instance, Mississippi Attorney General Lynn Fitch filed the lawsuit that made its way to the U.S. Supreme Court and ultimately overturned Roe v. Wade. Between 2018 and 2022, the Republican Attorneys General Association contributed \$150,000 to a political action committee that supported Fitch, according to the Center for Political Accountability, a nonprofit group that studies corporate donations.

Elsewhere, the Republican Governors Association provided nearly \$16 million to a group that supported Florida Gov. Ronald DeSantis, who signed a bill banning abortion after 15 weeks. And the Republication State Leadership Committee funneled about \$2.4 million to more than a half dozen Texas lawmakers who sponsored the so-called Trigger Law that greatly restricts abortion.

Meanwhile, many lawmakers who oppose abortion also object to contraception. And they may be emboldened to pursue legislative or litigation to restrict contraception after Justice Clarence Thomas wrote in his concurring opinion that the Supreme Court should "reconsider" other past rulings, including a 1965 case that granted married couples the right to buy and use contraceptives.

To be sure, there is considerable debate and uncertainty about which sorts of contraceptive products may one day be in the crosshairs. For the moment, the more likely targets are IUDs, or intra-uterine devices, and the Plan B pill. But at some point, it is possible that birth control products such as those sold by Pfizer — the company sells Depo-Provera — may join the list, according to experts.

"I don't think those types of birth control products are going to be the first line of attack. Where we're likely to see first attempts to push the (recent Supreme Court) <u>decision</u><sup>6</sup> will be contraceptive methods like IUDs and morning after pills," said Sidney Watson, who directs the Center for Health Law Studies at the Saint Louis University School of Law.

"So, am I worried about this as a controversy tomorrow? No. But there is a lack of clarity in states today that have fairly complete ban on abortions. So do I think it could be a controversy later? Yes. It's a question that was raised (by the Supreme Court) justices who dissented. In terms of a slippery slope, everything is up for grabs at some point."

Indeed, the recent Supreme Court <u>decision</u><sup>6</sup> has, theoretically, opened the door to further challenges, according to Wendy Parmet, co-director of the Center for Health Policy and Law at Northeastern University. At issue, she explained, is the extent to which the recent Supreme Court decision will allow states to view the effects of particular products.

"Over the years, some abortion opponents have put forth a narrative about contraceptives that is not consistent with medical and scientific consensus," she told us. "So the question is who gets to decide if a particular product induces abortion? We see language in this decision about letting the states decide. Can a state label something as an abortifacient even if the science said it is not? This decision has opened up

uncertainty and could well mean that companies have shot themselves in the foot."

This could eventually pose a conundrum for Pfizer, which donated \$2.24 million to the various Republican organizations. Technically, those organizations are known as 527 committees because — under section 527 of the Internal Revenue Code — they can raise money for political activities but are exempt from federal income taxes.

It is worth noting that 527 committees actually pool contributions that are then funneled to state and local political action committees and candidates, as well as to so-called dark money groups, which are not required to disclose their donors. As a result, companies lose sight of their contributions and can no longer track how their money is spent.

Generally speaking, companies often maintain that they assiduously donate to both political parties in order to cover the proverbial bases. In effect, this approach to contributions acts like an insurance policy. Pfizer, for instance, contributed nearly \$2.8 million to 527 committees for Democratic legislators, attorneys general and governors, according to the Center for Political Accountability.

Moreover, companies also argue they cannot realistically anticipate every issue that can arise or the position that every elected official will take on a given issue in the future.

A Pfizer spokesperson, for instance, wrote us that lawmakers in several states that moved to ban abortions also passed policies that were "important to patients and, hence, Pfizer." These included various measures surrounding prescription drug costs, such as out-of-pocket payments and health insurance denials.

"Our support of any individual and/or committee comes with the clear understanding that we may not always agree with all the policy positions of the elected official, candidate or committee," the spokeswoman wrote. "Our support of any candidate or committee is not an endorsement of any individual policy position on any social or religious issue."

Nonetheless, such contributions can still prove problematic, according to Bruce Freed, the president of the Center for Political Accountability. In his view, the contributions can raise financial and reputational risks as employees, consumers, and investors react to the political spending. And he also argued that the company should have known this could occur.

"That's a legitimate point, in terms of engaging. But then the question is what they do when it directly affects a product line and what they're doing business-wise. When a company contributes today it really needs to pay close attention to those consequences and how it may impact the company on many different levels.

"They have to engage in judgment calls. And you can anticipate what's coming up, especially hot button issues important to the Republican agenda. It was very clear in many of these states that there was going to be legislation to restrict abortion. It's a very different environment today that companies faced 10 years ago on election spending. It's not black or white anymore. There are gradations of gray, and the fact is that the gray gets very dark."

Nonetheless, this quandary is likely to play out over a period of years, according to Khiara Bridges, a professor at the University of California, Berkeley.

"If there is no fundamental right to access to contraception, then the states would be free to criminalize contraception or make it unavailable, and that

would be bad for business," she told us. "But it would take years of legal challenges before the Supreme Court would have a question in front of it about whether to reverse existing protections for contraception."

Correction: A previous version of this story misidentified Ortho-Novum as being sold by Johnson & Johnson. The brand-name version of the contraceptive has been discontinued.

### **About the Author**



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