

*Note: We have hearing devices
For enhanced listening*



Lake Oswego Rotary

Club Meeting (April 27th, 2015)



The Pledge



Member Highlights – Doug Jost

Member Highlights: Doug Jost

- Born: Portland, OR
- Raised: Lebanon, OR
- BS - Business; So. Oregon College
- Married to Cyndi Murray
- Son Tyler lives with wife in Charleston, SC
- Insurance broker in California & Oregon
- Bechtel Const, Riyadh, SA
- Jost, Stidd & Ass., Lake Oswego
- Served as Director of LORC, LO Chamber
- Served as LOSD Finance Committee Mem
- Royal Rosarian Member
- Enjoys Tennis, travel.



Member Highlight: Doug Jost



Welcome

**May your home
always be too
small to hold
all your friends.**

Irish Blessing

Bhíodáirín

Visitors & Guests

- Vic Keeler - Recovering from Back surgery at the Pearl, on Carmen Dr.
- George Mackin - In hospice at Mary's Woods - Rose Marie Center @2:00pm.



APRIL 23, 2015, BY WATERAFRICA

Meet Our Donors: 12-Year-Old Karthik Sreedhar

Two weeks before Walk4Water8, Gary and Judi Mittelstaedt gave a presentation to the Lake Oswego Rotary International Service Club. *(Read about the surprise donation we received there!)* Later that evening, WaterAfrica received an unexpected email from 12-year-old Karthik Sreedhar, a student at Lakeridge Junior High. **Karthik had also attended the LO Rotary meeting that morning to receive the \$100 prize for his winning submission in an essay + speech contest.**

In his email, Karthik said he was very interested in the WaterAfrica information he'd heard that day. Unable to attend the Walk because he was going to be out of town, **Karthik said he wanted to donate his prize money to WaterAfrica to provide clean water for people living in rural Zambian villages.**

Responding to this remarkable email, Gary and Judi arranged to meet Karthik and his family. They learned that Karthik spends his time and energy learning and practicing taekwondo, tennis, Chinese language, viola, and piano. He loves cars and dreams of owning a car manufacturing company some day. Karthik's parents are both electrical engineers and his sister is a 17-year-old senior at Lakeridge High School, most likely choosing Cal Tech out of many top options next year.



Karthik told Gary & Judi that when he heard them speak about life in rural Zambia, explaining how \$50 will provide a life-time of clean water for one person, he looked down at his shoes and realized they cost more than that! As he reflected, **Karthik concluded**



that he didn't really need the shoes. In fact, he didn't need anything. He thought about how he could shower and get a drink without giving it any thought. This moment of realization also resonated with Karthik's interest in conservation of natural resources and **he responded by choosing to give his prize money to WaterAfrica - providing lasting clean water for 2 people living in rural Zambia!!**

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Other Pamplin Media Group sites

Event	KFAM 860	Sunny 1500
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News

- Classified employee union endorses Barman, Wallin
- Rotary helps 'Soccer Salam' bring smiles to Iraqi children
- City Notes
- Rumin' down a dream
- Police Log





Rotary helps 'Soccer Salam' bring smiles to Iraqi children

Created on Thursday, 23 April 2015 04:00 | Written by Cliff Stovall | [»](#)

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Donations from Lake Oswego go toward nonprofit's efforts to aid families in war-torn nation



WILLIAM (BOB) FROST - Iraq children rush to receive soccer balls after a recent airlift to Baghdad in January. Funds donated by the Lake Oswego Rotary Club are helping children in the war-torn nation.

Members of the Lake Oswego Rotary Club expected nothing in return when they collected funds for a program that supports the children of war-torn Iraq. After all, Rotarian Lynn Westersaute says, "this is what being a Rotarian is all about."

But it's hard not to look at the smiles on the faces of Iraqi children when they opened crates from a "Soccer Salam" airlift in January and not feel somehow rewarded. Inside those crates: sleeping bags, blankets — and more than 1,000 soccer balls.

"As always, the faces of the children are the most special," Cindy Fogelman, U.S. liaison and executive director of the Iraqi Children Foundation, wrote to Rotary Club members in March. "I hope it warms your hearts to see the impact of your generous donation."

That donation went far beyond sports equipment, of course. It was a gift of fun, a break from the horrors of war, and it impacted the lives not only of the children who received new soccer balls but also of the Rotarians who sent



Local Weather





Support and services relating to:

- Aging
- Disabilities
- Veterans
- Housing resources
- Meals
- Legal resources
- Medicare help



News Makers



Volunteer Opportunities Available

- Peace Village: (May-June) Sign-up sheets available with Joyce Henstrand
- Lakeridge Jr High: (May 13,14) Contact Linda Brown
- Sculpture Cleanup: (May 2nd) Contact Barry Sheldahl
- LOHS Scholarships: (May 15) Contact Brian Bice
- Interact Club: (Now) Contact Ted Ricks

- PR Committee Meeting, after this meeting
- Vocational Service Meeting, 5:30pm, Griffon May Bldg
- Willamette Rotoract, Tues 7:00pm, Heritage House
- Sculpture Cleanup, Sat May 2nd 9:30am, Arts Council office





Program: Why are Drugs so Expensive?

Dr. James White

Speaker: James White

- Education: BA- Cambridge, MSc- UBC, PhD- MIT
- Assoc. Prof: Harvard University
- Distinguished Prof. Emeritus - OSU (Present)
- Consulting: Merck, NIH, Celera, Bingham-McCutchen
- Some of the Awards:
 - Eli Lilly Grant, NIH Career Development
 - Sigma Xi Research Award - OSU
 - Japan Society for the Promotion of Science Fellowship
 - Oregon Academy of Sciences: Outstanding Scientist Award
- VP, International Society of Heterocyclic Chemistry
- Chair - 13th International Congress of Heterocyclic Chemistry
- International Editorial Advisory Board, Heterocyclic Chemistry
- Royal Society of Chemistry Task Force



WHY ARE DRUGS SO EXPENSIVE?



“We have been fighting about drug prices since the snake oil salesmen pulled their wagons to town. We rarely have a discussion about value”

Robert M. Goldberg, Center for Medicine in the Public Interest

“What we see is King Kong versus Godzilla. The pharmaceutical industry is very powerful, as is the insurance industry. And they are playing hard ball over price”

David Evans, Director of Research Advocacy, Project Inform

“You look at a lot of things. You look at the current marketplace; you look at how things are being used; you look at the number of agents that are valuable in second-line; you look at the value that you are bringing into the marketplace; and you look to set a responsible price . . .”

Paul Hawthorne, VP at Sanofi U.S. talking about Zaltrap for colorectal cancer

“There’s no comparable drug. And this truly is a breakthrough, offering much more value than what’s out there. If their only concern is what the market will bear, they’re going to get that price.”

David Orenstein, Co-director of the Palumbo Cystic Fibrosis Center, talking about Kalydeco

“It is not a science. It is a feel.”

Henri Termeer, CEO of Genzyme

Drugs Approved by FDA (2012-2014)

2012 - **39** (largest in 15 years)

2013 - **27** (9 first-in-class)

2014 - **41** (16 first-in-class, 7 approved in 12/14)

Highlights of 2014 FDA Approvals

- 40% “orphan drugs” (best ever for rare diseases)
- 12 new drugs for infectious diseases (4 antibiotics)
- 8 new drugs for cancer (including new immunotherapies)

Cost

- Current cost to pharma company of developing and commercializing a drug is **\$2.6 billion** (145% increase corrected for inflation over the past decade)
- Average length of time of drug from bench to market - **10** years

Examples from 2012

Kalydeco (Vertex Inc)

- Fastest approval by FDA, treats underlying cause of cystic fibrosis (improves breathing, reduces infections and projects increased life expectancy by three fold)
- \$841/day for two pills (= \$307,000/year)
- Treats only 4% of CF patients (\approx 3,000 worldwide)
- Payment approved by U.S. (Medicare and Medicaid) and most private insurers
- Modifications of Kalydeco in Vertex pipeline to treat other forms of CF

Zaltrap (Sanofi Inc)

- Treats advanced colorectal cancer, increases life expectancy by 1.5 months (similar to Hoffmann-LaRoche's Avastin approved in 2004 for treatment of colorectal cancer)
- \$11,000/month (Avastin is \$5,000/month and had \$6 billion in global sales in 2012)
- Sloan-Kettering publishes trial results showing Zaltrap no better than Avastin
- Sanofi drops price to \$5,500/month
- Payment denied in Europe

The Latest (2014)

Sovaldi (Gilead)

Viekira Pak (AbbVie)

- Both drugs cure 90% of patients with hepatitis C in approx. 12 weeks with minimal side effects
- One pill/day @ \$1,000/pill (Gilead) = \$84,000 but Pharmasset (which invented Sovaldi and was acquired by Gilead for \$11 billion) would have sold Sovaldi for \$36,000 for full treatment (public filing)
- Previous hepatitis C drugs gave 30% cure for \$30,000 or 60% cure for \$60,000 but showed serious side effects

“Access is proportional price. It doesn’t matter if you bring great drugs to market if no one can afford them.”

Steve Miller, Chief Medical Officer of Express Scripts

The Future (2015 - ?)

- Amortization (spread payments over time)

“We are going to have to think about how to bring real financial services constructs into these transactions. And one of these is amortization”

Scott Gottlieb, American Enterprise Institute

- Price controls

Democrats on Capitol Hill favor controls but Republicans oppose (surprise!)

- Accelerate FDA approval

“The faster you get medicines to patients, the lower the cost will be.”

Robert M. Goldberg

- Innovation

A new wave of high-tech drugs like Sovaldi is in the pharma pipeline. Pressure is on by Congress and public interest groups to keep costs manageable. Stay tuned!



"Please—no technology questions!"

THANK YOU!