Ethics, Pricing, and the Pharmaceutical Industry. Corporate Communication Faces Drug-Cost Issues¹

Abstract: The paper investigates arguments brought forth by a big corporation in the pharmaceutical industry when dealing with bioethical issues. Apologetic strategies (or lack of thereof) and their discursive manifestations are investigated. More specifically, the paper focuses on press releases issued by Mylan, the pharmaceutical giant, when the company was strongly criticized in 2016 over hiking the price of one of its best-selling drugs.

Previous findings on the presence and articulation of apologetic discourse in corporate communication correlated problematic con text – the financial crisis – with texts – annual company reports. The rationale underlying this paper is the same as a strong relationship between controversial issues – in this case bioethical issues – and discursive outcomes was expected also in a different field of investigation.

Keywords: corporate communication, press release, ethics, apologetic strategies

1. Intent and Methodology

1.1 Apologetic discourse and bioethical issue: Drug price controversy at Mylan

Big Pharma's image has often been threatened by the industry's questionable behaviour, and this seems to be especially true in the US, where price negotiation is not mediated at a state-level. On the one side, there is a business which cures diseases, on the other side, patients feel exploited and feel more like an attractive market than human beings. Some of the industry's business practices, such as monopoly pricing, manipulative patent litigation, and money spent on political lobbying, have eroded public trust over the years.

Mylan, a global pharmaceutical company in America, which after undergoing two acquisitions in 2007 became the second-largest pharmaceuticals company in the world, is no exception. In 2016, the company was accused of having taken advantage of its position, as in seven years it hiked the price of one of its best-selling products, i.e. the EpiPen. An investigation followed to understand if Mylan had misclassified the EpiPen under the Medical Drug Rebate Program, therefore committing a type of fraud which is frequently used by pharmaceutical manufacturers. In October 2016, Mylan settled the investigation with the U.S. Department of Justice and paid a million-dollar penalty.

The intent of this study is to analyze apologetic discourse strategies in corporate communication when companies face a crisis, i.e. when "a predictable event that occurs at an unexpected time

¹ This paper was presented at XXVIII AIA Conference, which was held in Pisa in 2017. A similar version of this abstract is included in the conference's book of abstracts (2017aiaconference.fileli.unipi.it).

threatens the wellbeing of stakeholders".² Previous findings by the same author on the presence and articulation of apologetic discourse in corporate communication³ correlated context – the economic and financial crisis – with text – the annual company reports of Financial Times Index constituents, thus engaging in what Bhatia defined as Critical Genre Analysis, which is aimed to "demystify social and organizational actions".⁴ The results showed massive recourse to apologetic strategies on the part of CEOs running poor performing companies.

The same rationale underlies this paper as a strong relationship between controversial issues – bioethical issues, as is the case with life-saving drugs pricing – and discursive outcomes was expected also in a different field of investigation.⁵

1.2 Research questions

As mentioned in 1.1, Mylan was strongly criticised in 2016 over rising drug prices. That moment is the expected privileged moment for the deployment of apologetic discourse strategies on the part of company executives when they are suspected of misbehaving. It is in the company's interest to justify their actions with their key public and stakeholders, and this idea of justification is what is meant in the present study for apologetic discourse.

While the term "apology" is much more frequent and used when a person or corporation acknowledges guilt and expresses regret,⁶ apologia is a Greek term ($\dot{\alpha}\pi\sigma\lambda\sigma\gammai\alpha$ 'defence, a speech in defence') that can be defined more broadly as any communicative act that is given in defense of an accusation.⁷ As it is explained by Keith Hearit⁸, a well-known scholar in crisis communication, it is important to understand that the broader term *apologia* may contain an acknowledgement of responsibility.

Having clarified what is meant by "apologetic", the research questions addressed in this article can be outlined:

- RQ 1: Does Mylan engage in apologetic strategies when facing price controversy?

² Robert L. Heath, "Telling a Story: A Narrative Approach to Communication During a Crisis", in Drew P. Millar and Robert Heath, eds., *A Rhetorical Approach to Crisis Communication: Management, Communication Processes and Strategic Responses* (London and Mahwah: LEA Publishers, 2004), 167-187.

³ Cinzia Giglioni, "Apologetic Discourse in Financial Reporting: CEO and Chairman Statements: A Case Study", in Giuliana Garzone, et al., eds., *Genre Change in the Contemporary World: Short-term Diachronic Perspectives, Linguistics Insights* (Bern: Peter Lang, 2012), 227-243.

⁴ Vijay K. Bhatia, *Critical Genre Analysis: Investigating Interdiscursive Performance in Professional Practice* (London and New York: Routledge, 2017), 23.

⁵ Details of previous research are provided in the bibliographic references and discussed at various points throughout this article. Focus on bioethics has been determined by the author's participation in the interests of a research group that is conducting a PRIN research project (Progetto di Ricerca di Rilevante Interesse Nazionale / Research Project of National Interest Prot. 2015TJ8ZA) on dissemination of knowledge about sensitive bioethical issues.

⁶ Keith M. Hearit, *Crisis Management by Apology: Corporate Response to Allegations of Wrongdoing* (Mahwah: Lawrence Erlbaum Associates Publishers, 2006).

⁷ Halford R. Ryan, "*Kategoria* and *Apologia*: On Their Rhetorical Criticism as a Speech Set", *Quarterly Journal of Speech*, 68.3 (1982), 255-256.

⁸ See note 5.

- RQ 2: Does one of the strategies prevail and, if so, what is the reason?

As in previous research⁹ on the presence and articulation of apologetic discourse in corporate communication, for the definition of the strategies we should rely on B.L. Ware and Wil Linkugel's definitions dating back to 1973.¹⁰ They identified four tactics or common strategies in apologetic discourse: denial, bolstering, differentiation, transcendence. As underlined by Jasinski in his book on rhetoric¹¹, other scholars have proposed different conceptualizations of the types of strategies, William Benoit¹² among them.

The documents selected for the present investigation are press releases issued by Mylan in response to increased public criticism. They were retrieved from the company's website (www.mylan.com) by searching for headlines containing the word EpiPen. The search (conducted in February 2017) returned thirteen items: the highest number – five – was issued, as easily predictable, in 2016, when the case gained attention on the part of the lay public and a congressional hearing was set out.¹³ Mylan took on the auto-injector in 2007, but in the previous nine years the eight press releases were related to the product focused on marketing strategies – e.g. when the company decided to offer EpiPen to U.S. schools for free – licensing agreements and product availability in new markets. Admittedly, the company never mentioned price policies.

2. Identification of Apologetic Strategies

Press releases are, for their very nature, quite short documents. Therefore, despite the convenience of the electronic format, they did not seem to be suited to being investigated using computerized analysis as in the previous stages of this study on apologetic strategies in annual company reports. A close reading of Mylan's press releases revealed common traits with the annual reports in terms of strategies' deployment. The most evident of these traits was the presence of the apologetic strategy called bolstering.

Bolstering implies enhancing a company's image, and there is a specific part in press releases – the boilerplate – that turned out to be the ideal place to do that. The boilerplate is that part of a press release made up by one or two paragraphs where companies describe their products and services. As other parts of this text genre, it is edited and re-contextualized since its pre-formulated nature¹⁴ – a key feature in press releases – is meant for exploitation on the part of journalists, who will simply need to

Anglistica AION 23.1 (2019), 175-183 ISSN: 2035-8504 doi: 10.19231/angl-aion.2019111

⁹ Giglioni 2012 (See note 2).

¹⁰ B. L. Ware and Wil A. Linkugel, "They Spoke in Defense of Themselves: On the Generic Criticism of Apologia", *Quarterly Journal of Speech*, 59.3 (1973), 273-283.

¹¹ James Jasinski, *Sourcebook on Rhetoric: Key Concepts in Contemporary Rhetorical Studies* (Thousand Oaks, London, New Delhi: Sage Publications, 2001), 21.

¹² William L. Benoit, *Accounts, Excuses, and Apologies: A Theory of Image Restoration Strategies* (Albany: State University of New York Press, 1995); William L. Benoit, "Another Visit to the Theory of Image Restoration Strategies", *Communication Quarterly*, 48.1 (2000), 40-44.

¹³ Congressional involvement is not new since drugs' pricing has frequently been a concern for the U.S. Congress. See Bruce A. Chabner and Thomas G. Roberts Jr., "Setting Fair Prices for Life-saving Drugs", *Virtual Mentor*, 1 (2007), 38-43.

¹⁴ Geert Jacobs, *Preformulating the News: An Analysis of the Metapragmatics of Press Releases* (Amsterdam and Philadelphia: John Benjamins, 1999).

cut and paste a few lines to inform their readers about the type of company they are reading about. Catenaccio,¹⁵ following Bhatia's identification of moves in advertising genres,¹⁶ segmented the press release in eleven moves. Move number nine is the boilerplate. Not all moves are always present, however some are "obligatory": the company logo, the caption, the headline and the lead (with justification of newsworthiness). When press releases started to be published in the newsroom section of corporate websites, some of their features underwent major changes. Still, boilerplates were there, typically attached to the bottom of the documents. When online, as is the case with the five texts investigated in this article, boilerplates need a "scroll down effort" which confirms the "boundary character of the boilerplate description".¹⁷

Press releases' writers usually don't change boilerplates, they tend to copy the ready-to-use description of the company, and this is what happens with four of the five boilerplates included in the press releases analyzed in this article. Here below the textual realization of the move called boilerplate is attached as an example.

Mylan is a global pharmaceutical company committed to setting new standards in healthcare. Working together around the world to provide 7 billion people access to high quality medicine, we innovate to satisfy unmet needs; make reliability and service excellence a habit; do what's right, not what's easy; and impact the future through passionate global leadership. We offer a growing portfolio of more than 2,700 generic and branded pharmaceuticals, including antiretroviral therapies on which approximately 50% of people being treated for HIV/AIDS worldwide depend. We market our products in more than 165 countries and territories. Our global R&D and manufacturing platform includes more than 50 facilities, and we are one of the world's largest producers of active pharmaceutical ingredients. Every member of our more than 40,000-strong workforce is dedicated to creating better health for a better world, one person at a time. Learn more at mylan.com.¹⁸

A simple skim reading of the boilerplate is likely to give an overall impression about the company, but at the same time, "the real identity of press release is betrayed by the positive bias towards the company".¹⁹ Bolstering seems to be inevitable in this part of the press release. Both specialized – i.e. journalists – and lay audience are aware of the persuasive, face-saving intent of the text. When facing crisis, as is the case with price controversy, the balance between persuasive and informative seems to be compromised, the result often being a deeper distrust on the part of that audience the author of the press release originally wanted to persuade in relation to a company's behavior in a specific situation. This seems to be in line with Foremski,²⁰ a former journalist and PR consultant, who listed the 'spin' – i.e. the provision of ready-made (favorable) interpretations that press releases invariably place on facts, and which conflicts with the ostensibly purely informative intent of the genre – among the reasons for advocating the "death of the press release".

¹⁵ Paola Catenaccio, Corporate Press Releases: An Overview (Milan: CUEM, 2008), 43.

¹⁶ Vijay K. Bhatia, Worlds of Written Discourse (London and New York: Continuum, 2004), 56.

¹⁷ Catenaccio, 63.

¹⁸ Press releases issued 25 Aug., 29 Aug., 7 Oct. and 16 Dec. 2016.

¹⁹ Catenaccio, 30.

²⁰ Cit. in Catenaccio, 65.

The second, quite evident, strategy of apologetic discourse that has been detected in the press releases under examination is transcendence. Transcendence, according to Ware and Linkugel's definition, implies reframing the situation in a broader context so as to minimize responsibility. In annual company reports issued in times of economic and financial crisis, the crisis was indicated as mainly responsible for companies' poor performance. Similarly, in Mylan's press releases (here below) the responsibility is shifted from the company to the context, and this may imply reference to different factors: the healthcare system, the current insurance landscape, U.S. healthcare crisis, pharmaceutical supply chain, pricing system, broad systemic issues.

With the current changes in the healthcare insurance landscape, an increasing number of people and families have enrolled in high deductible health plans, and deductible amounts continue to rise. This current and ongoing shift has presented new challenges for consumers, and now they are bearing more of the $cost...^{21}$

Mylan CEO Heather Bresch said, 'we recognize the significant burden on patients from continued, rising insurance premiums and being forced increasingly to pay the full list price for medicines at the pharmacy counter. Patients deserve increased price transparency and affordable care, particularly as the system shifts significant costs to them. However, price is only one part of the problem that we are addressing with today's actions. All involved must take steps to help meaningfully address the U.S. healthcare crisis, and we are committed to do our part to drive change in collaboration with policymakers, payers, patients and healthcare professionals'.²²

As the health insurance environment has evolved, even by the implementation of the Affordable Care Act, patients and families ... have faced higher costs for their medicine.²³

Mylan CEO Heather Bresch commented, 'because of the complexity and opaqueness of today's branded pharmaceutical supply chain and the increased shifting of costs to patients as a result of high deductible health plans, we determined that bypassing the brand system and offering an additional alternative was the best option'.²⁴

Mylan CEO Heather Bresch commented, 'while it is important to understand the outdated and complex system that determines what someone pays for medicine in the U.S., hardworking families don't need an explanation, they need a solution'.²⁵

Unfortunately, families will continue to face sticker shock for medications and may be forced to make difficult choices until the pharmaceutical pricing system is reformed to address the increasing shift of costs directly to consumers. Pharmaceutical pricing is too far removed from the patient at the pharmacy counter and not designed for today's increasingly consumerized healthcare system.²⁶

²¹ Press release issued 22 Aug. 2016.

²² Press release issued 25 Aug. 2016.

²³ Ibid.

²⁴ Press release issued 29 Aug. 2016.

²⁵ Press release issued 16 Dec. 2016.

²⁶ Ibid.

This is an issue that will impact virtually every family on a high deductible plan, regardless of what medicine they are taking. That is why it is critical that all industry participants and government leaders come together to seize the opportunity to make fundamental changes to the system to ensure access to medicine.²⁷

The excerpts provided are meant to show textual outcomes of the strategy called transcendence in the five press releases selected for the analysis. With customary care, corporate writers embed the company's CEO's words in the press releases they prepare. As scholars have underlined,²⁸ these quotations are frequently used to communicate self-promotional information. They are often fictional and they are aimed at manipulating the audience since their supposed objectivity – the writer is not perceived as subscribing to the quoted person's opinion – is considered to be more effective.²⁹

Despite the recurrence of some lexical items in those parts of the text where the strategy called transcendence is displayed (e.g. "system" occurs five times in the press release dated 25 Aug. 2016), a shifting from macro textual analysis to linguistic analysis proper did not seem to be in line with the basics of this article. If it is true that, in previous research on annual company reports, strategies proved to involve lexical and syntactic patterns in their textual realization,³⁰ the size of the texts under examination did not call for such a type of analysis, which generally suits longer texts to allow identification of meaningful recurrences. However, the small size of the corpus investigated here, which is motivated by its specificity, is a limitation that the study displays. Therefore, quantitative analysis will be included in further steps of the research on corporate press releases (forthcoming).

The third strategy is called differentiation and – according to Ware and Linkugel's definition – it is aimed at creating distinctions to redefine a questionable situation. Mylan seems to engage in the strategy in a rather subtle manner, if compared to the way companies scrutinized in previous stages of the research engaged in the same strategy. By way of an example and to give an idea of the strategy's realization in one of the CEO's letters to shareholders that have been previously analyzed, it is worth mentioning that British Airways' CEO diverted his readers' attention from the general picture of the company's poor financial situation to operational details (e.g. short-landed baggage at Heathrow), which were both described and visualized in prominent positions of the letter. Mylan's way of distracting the reader's attention from the company's questionable behavior – i.e. rising EpiPen's price – consists in cramming the relevant press releases with "Important Safety Information" and "Indications" on how to use the pharmaceutical device. The press release issued 16 December 2016, full of pictures, also includes a video about EpiPen. If the scope of these many lines, pictures and video on the one hand is to provide readers with useful information – the informative intent of the genre is still detectable – on the other hand these features also help the company to avoid facing price controversy issues, thus (implicitly) pursuing the persuasive intent of the genre.

Anglistica AION 23.1 (2019), 175-183 ISSN: 2035-8504 doi: 10.19231/angl-aion.2019111

²⁷ Ibid.

²⁸ Jacobs, Preformulating the News.

²⁹ Ibid.

³⁰ Cinzia Giglioni, "Variation in Apologetic Strategies in Annual Company Reports: Rhetorical Functions of Lexical-Syntactical Patterns", in Paola Evangelisti Allori et al., eds, *Evolution in Genre: Emergence, Variation, Multimodality* (Bern: Peter Lang, 2014), 45-65.

The company does not want the situation to be perceived as questionable and they simply decide not to address the topic, as long as they can. When a newsworthy piece of news forces the company to address the problem, as is the case when Mylan agrees to the terms of a nearly five hundred million dollar settlement with the U.S. Department of Justice, the very first sentence readers can find in the relevant press release is the following: "The terms of the settlement do not provide for any finding of wrongdoing on the part of Mylan Inc. or any of its affiliated entities or personnel" (press release issued 7 Oct. 2016). The settlement is also presented as a solution for future problems related to the EpiPen's classification as a non-innovator drug. The positive slant of the press release is evident in the expected C-level executive's quote:

Mylan CEO Heather Bresch commented, 'This agreement is another important step in Mylan's efforts to move forward and bring resolution to all EpiPen Auto-Injector related matters. The agreement is in addition to the significant steps Mylan has taken in relation to EpiPen Auto-Injector over the past several weeks, including the unprecedented, pending launch of a generic version of EpiPen Auto-Injector and expansion of our patient access programs for this product. Entering into this settlement is the right course of action at this time for the Company, its stakeholders and the Medicaid program'.³¹

The last apologetic strategy we should consider at this point is indirect denial. According to the definition provided by Ware and Linkugel, indirect denial is the strategy that entails response to charges that are never explicitly acknowledged. This strategy is not very productive in the press releases under examination, still when it appears it occupies a prominent position, as is the case with the press release issued 25 August 2016 (herewith below), where comparatives – one of the strategy's distinguishing morphological traits identified in a previous stage of the research³² – made their appearance in the very title. Both comparatives and verbs that take the re- prefix proved to have a crucial role in the indirect denial strategy, as they trigger presupposition.³³ Through the epistemic operation of presupposition the reader obtains the implicit information deriving from the claim, where information is explicitly stated. The following are a couple of examples of indirect denial from one of the press releases under investigation (issued 25 Aug. 2016), where the lexical use of 'further' activates the presupposition mechanism:

CLAIM	"Mylan taking immediate action to further enhance access to EpiPen Auto-Injector"
PRESUPPOSITION	access was previously poor
CLAIM	"Mylan is taking the following immediate actions to help <u>further</u> address the needs of patients and families"
PRESUPPOSITION	needs were underestimated

³¹ Press release issued 7 Oct. 2016.

³² Giglioni 2014 (See note 29).

³³ Stephen C. Levinson, *Pragmatics* (New York: Cambridge U.P., 1983), 167-225.

It is worth noting that all the press releases under investigation show traces of the indirect denial strategy as the company relatively frequently refers to the plans and improvements it is carrying on to face such a controversial situation.

3. Final Remarks

Two of the four strategies identified in previous steps of the research by the same author, i.e. bolstering and transcendence, have been recognized in terms of presence and articulation also in Mylan's press releases related to the EpiPen price controversy. The strategy called differentiation, also present, is articulated in a different way if compared to its deployment in the annual reports investigated in the first part of the research. In fact, this strategy consists in and is limited to the "Important Safety Information" and "Indications" the company attaches to all product-related press releases. As to the last identified strategy, i.e. indirect denial, the company's – and its CEO's – elusive attitude towards the EpiPen price controversy plays a crucial role and makes this apologetic strategy difficult to identify (See § 2). Recognition of possible wrongdoing is avoided, and information about the price controversy is held back.

The same attitude on the part of the company is displayed also in another key genre in corporate communication, i.e. the annual company report. Mylan's 2017 annual report is different from the reports issued by the London Stock Exchange listed companies – which had been previously studied – and the differences are evident both in terms of textual organization and authorship. The CEO's and Chairman's letters, a traditional tool for external corporate communication,³⁴ are not included in Mylan's report, possibly because the company follows the Dutch Law. At this point it needs to be mentioned that big US corporations sometimes move their tax domicile by acquiring foreign companies to shift their profits offshore – as happened with Apple, to mention a quite well known case – and pharmaceutical companies make no exception. This somehow contributes to their bad reputation: Emily Willingham's article for *Forbes* published during the EpiPen crisis³⁵ (23 Aug. 2016) and eloquently entitled 'CEO of EpiPen Maker Mylan Sees 671% Compensation Increase in 8 Years' provides one of the numerous examples of this perception. However, what has been under consideration in this article are purely textual outcomes of crisis management in relation to many texts which represent a key genre of corporate writing, i.e. the press release.

In Mylan's 2017 annual report opening 'Overview'³⁶ the story of the U.S. billionaire generics market, the largest in the world, is narrated and so is the EpiPen's story from the Eighties' to 2016. Nevertheless, almost no reference to any controversy is made, and if it is, it is skillfully used by corporate writers to convey a positive image of the company: "We believe that the claims in the lawsuit are without merit and intend to defend against them vigorously.... The Company believes that

³⁴ Giuliana Garzone, "Annual Company Reports and CEO's letters: Discoursal Features and Cultural Markedness", in Christopher N. Candlin and Maurizio Gotti, eds., *Intercultural Aspects of Specialized Communication* (Bern: Peter Lang, 2004), 311-342.

³⁵ Retrieved at *www.forbes.com* in August 2017.

³⁶ Mylan Annual Company Report, retrieved at www.mylan.com in August 2017.

it has strong defenses to current and future potential civil litigation, as well as governmental investigations and enforcement proceedings".³⁷

There seems to be no need for self-justification, not in a more than six-hundred-page annual company report of an extremely successful company. Findings from previous studies³⁸ proved that all the four apologetic strategies were only used by CEOs of poorly performing companies, which is definitely not the case with Mylan, a company that has dramatically increased its profits and turnover in the last few years and whose "commercially determined goals"³⁹ are openly presented in corporate communication documents, including the press releases under investigation.

In the long term, Heather Bresch, in her role as Mylan's CEO, could not avoid addressing the EpiPen Auto-Injector pricing matter forever and she had to testify before the United States House of Representatives Committee on Government Reform in September 2016. A prepared testimony of her congressional hearing was released ahead of the hearing and might be considered in future steps of research. Still, if readers visit the company's official website, they will find the following company description, which can be considered as a further example of the strategy called bolstering:

Mylan is a global healthcare company focused on making high quality medicines available to everyone who needs them. Our heritage of being a provider of generic pharmaceuticals goes back to our founding in West Virginia in 1961. Today, we are passionate champions for better health around the world with a platform unmatched in the industry.⁴⁰

As demonstrated in previous research by the same author, when companies perform economically and financially well – i.e. CEOs cannot be blamed for wrongdoing – the only strategy that remains detectable in the narratives of annual reports is bolstering. As the aim of this apologetic strategy is to enhance company image by associating it to abstract values⁴¹ bolstering is always present. In fact, bolstering proved to be the easiest apologetic strategy to be identified also in Mylan's press releases.

Significantly, the fact that transcendence is detectable in the majority of the press releases under investigation may become the indicator of a (price related) problem the company would have never addressed explicitly. Critical Genre Analysis may, in this case, serve to uncover inconvenient information skillfully disguised by corporate writers, whose job is in fact to shed the best possible light even when companies confront highly controversial issues, like in the case of drugs' price.

³⁹ Joe Collier and Ike Iheanacho, "The Pharmaceutical Industry as an Informant", Lancet, 360.9343 (2002), 1405-1409.

⁴⁰ Retrieved at *www.mylan.com/en/company* in September 2017.

³⁷ Mylan Annual Company Report, 174.

³⁸ Giglioni, "Annual Reports of the FT30 Index Members: Deployment of Apologetic Strategies in CEO and Chairman's Statements", *International Journal of Language and Linguistics*, 4.1 (2017), 88-94.

⁴¹ See Mark L. Robinson, *Marketing Big Oil: Brand Lessons from the World's Largest Companies* (US: Palgrave MacMillan, 2014, 51). Robinson's volume underlines how Exxon attempted to use the bolstering strategy as an image restoration strategy.