



Reasoning with Ethics

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A Project of The School for Ethical Education | www.ethicsed.org

“Ethics in action creates character.”

Use this blog to:

1. Lead class discussions in social studies, civics, ethics or advisory classes.
2. Teach students skills to analyze cases with core ethical values.
3. Recognize skills in support of SEE's Tri-Factor Model of ethical functioning.

[Visit the online Ethics Blog.](#)

Core Values and Profit

SEE continues to be an advocate for ethical capitalism as defined by the principles of innovation, initiative, property rights, open competition and ethical leadership. A just and competent government and open competition should in most cases provide goods and services at the most reasonable price points as guided by the market. In a case described by CBS 60 minutes, many of these ethical capitalism principles were compromised. Students are asked to study the following case and using core values, determine where ethical capitalism was corrupted.



In 2001, the drug Acthar was being sold for \$40 a dose and \$33 per dose from a generic competitor. Mallinckrodt Pharmaceuticals subsequently purchased the original maker of Acthar and its competitor and the price has risen above \$40,000 per dose. There was no recognize investment to improve the drug. The Federal Trade Commission has recently taken some action and the CBS story notes how an FTC settlement has opened Mallinckrodt up to private lawsuits.

Beyond eliminating the one competitor, the CBS story goes on to note two other contributing factors that can keep drug prices high. These factors include funds given to doctors who prescribe the drug and the lack of pushback by drug suppliers like Express Scripts who also see an increase in their profits when drug prices go up. In the absence of a competitive manufacture, Express Scripts should represent a market force to recruit a competitor, but they did not seek that solution. We welcome student comments using core ethical values to analyze this case considering the principles that should support ethical capitalism.

Regarding the response sought for this issue, SEE welcomes students to post on our website at http://bit.ly/Ethics_Case where more information is available for *Reasoning with Ethics*. A video link with more details for this archived case can be found at - <https://youtu.be/ORnXqPuRhVI>

Contact information

The School for Ethical Education is a not for profit teaching agency in Milford, CT with the mission to advance strategies of placing ethics in action to create character. As a non-sectarian 501(C)3, SEE is supported by fees for service, grants and donations. For more information visit our website at www.ethicsed.org Please reply with “unsubscribe” in the subject heading if you want to be removed from this Reasoning with Ethics Blog.