

THE SATURDAY EVENING POST

The problem with drug importation: imports are not a quick cure for high drug prices; Speaking out

Peter Pitts
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When it comes to medicines, Americans historically have been attracted to offers of quick, easy cures.

In the late 19th and early 20th centuries, those offers were the core of the so-called "patent medicine" industry, with innumerable shysters peddling panaceas. Today's cable TV spots for Viagra are models of restraint compared to the newspaper ads of a hundred years ago for patent medicines promising cures for everything from depression to diarrhea.

Most of the cures were useless. Some were harmless, others were downright dangerous. They might provide some temporary relief from pain or restore your energy, but the core ingredients that did the job were alcohol, cocaine, and opium.

Eventually, of course, the frauds of the patent medicine world were exposed, leading Congress to pass the Pure Food and Drug Act of 1906. But don't get the idea that we've been cured of our traditional weakness for quick easy "cures" in matters of healthcare. That weakness is very much in evidence as America wrestles with the chronic issue of prescription drug costs. And the quick, easy cure of choice these days seems to come down to two words: drug imports.

Our appetite for a solution is understandable. Drug costs in America are a high-value bargain compared to the cost of hospitalization modern drugs avoid. Because of advanced pharmaceuticals, we are living longer and more productive lives.

But individual drug costs are high, especially for seniors living on Social Security and the vagaries of a shaky investment income. Since seniors are by far the biggest users of prescription drugs, monthly pharmacy bills of \$ 300 and \$ 400 a month are not uncommon.

Many well-intentioned people, some of them public officials, believe that the key to containing drug costs in the U.S. is to legalize and encourage the widespread importing of drugs from foreign countries where government-imposed price controls allow the sale of drugs at prices lower than those charged for name-brand drugs in a U.S. pharmacy.

But like the addictive patent medicines of a hundred years ago, widespread drug imports would create more problems than they would solve. The number-one problem would be a massive threat to public health caused by a flood of imported drugs not subject to quality control or monitoring by anyone.

Counterfeit drugs are already a huge global problem, especially in developing nations. According to some experts, as much as \$ 50 billion worth of the \$ 500 billion in international drug sales each year is made in counterfeit drugs.

With the global supply of counterfeit drugs huge and growing, it's obvious

that the U.S. drug market--which accounts for fully half of the world's medicine sales--would be a prime target for counterfeiters if we make their job easy by weakening our current drug import protections. And unfortunately, it's also a fact of life that massive drug imports would create a major opportunity for international terrorists to kill thousands of Americans with intentionally contaminated drugs packaged as legitimate pharmaceuticals.

For the better part of the last hundred years, Americans have been able to go to their pharmacy and buy pills or liquids and be totally confident that the medicine in the container is exactly what the doctor prescribed. That's a comfort level we've come to take for granted, but it will be gone if imports put us in a position of depending on drugs of uncertain origin, produced and stored under conditions beyond our control.

And that applies to drugs imported from Canada, our friendly neighbor to the north. U.S. advocates of drug imports like to suggest special importing arrangements with Canada because, to the chagrin of Canadians, many Americans think of Canada as just a cold extension of the USA. Most of the people speak English. It's a stable democracy with a legal system very much like ours, and a national health agency that guards the purity of drugs sold in Canada just as aggressively as the FDA does in the States.

True enough, but none of that guarantees the safety of drug exports "from Canada" to the U.S.--and nobody is more adamant about that than the Canadians themselves. The country's national health agency, Health Canada, has been up-front about saying they cannot possibly monitor drug shipments across the

U.S. border. That's because many of those drugs aren't even produced in Canada.

Through a process known as "transshipment," drugs come into Canada from around the world, including developing countries like China, Chile, India, Belize, the Bahamas and Vietnam. Most of these third-country drugs are mailed to customers in the U.S. from the growing number of Internet pharmacies in Canada that take prescriptions from Americans, sometimes with the help of Canadian physicians hired to co-sign prescriptions.

While Canada's pharmacy standards are close to ours, there's always a greater chance for misunderstanding or outright deception when something as important as a personal prescription is handled over the Internet. That chance was underscored in July of 2004 when the FDA found that a Canadian website pharmacy advertising Canadian generic drugs was in fact selling fake, contaminated and substandard versions of three widely prescribed medicines.

Even if the quality of drug imports were not in question, having Canada supply the U.S. with prescriptions is a bad deal economically for both countries and provides very little in the way of actual savings for consumers.

A detailed report on drug imports issued last year by the U.S. Department of Health and Human Services estimated that total savings to U.S. consumers from legalized commercial importation of drugs would be only one to two percent of total drug spending. The HHS pointed out that most of the price difference between U.S. and imported drugs would go to third-party payers such as insurance companies and HMOs.

And in the government-controlled health market of Canada, the supply of legitimate drugs sold in each province is sharply rationed. Diverting more and more of this limited supply for sale to Americans is aggravating a shortage of some drugs. No wonder the Health Minister of Canada recently warned that "Canada cannot be the drugstore of the United States." Canada's government appears to be looking to shut down transshipment of drugs, anyway. So even if it were a good idea, it won't last.

It's pretty clear that drug imports from Canada or anywhere else are not a viable, long-term solution for easing the cost of prescription drugs for Americans. But there are more options open than ever before, especially for senior citizens, and they don't carry the health risks of imports.

The HHS study on drug imports reported that average prices for generic drugs in the U.S. are 50 percent lower than they are in foreign countries. That's right--American generics are cheaper than Canadian generics. So consumers of all ages should check with their doctor or pharmacist for a generic version available as a substitute for brand-name prescriptions.

People in a financial bind over paying for prescription drugs can also get help directly from the pharmaceutical companies. Each major company in the U.S. has a patient-assistance program that is easy to access and provides free or significantly discounted medications. In 2003 these programs filled over 18 million prescriptions a year at no cost.

For seniors, of course, there are the new Medicare drug discount cards. Any senior can enroll and be eligible for drug discounts ranging from 10 to 75 percent on prescription drugs. Low-income seniors are entitled to \$600 in

medicines for 2005 under the drug card program, in addition to the discounts.

The discount cards are an interim step until the full Medicare prescription drug benefit program kicks in in 2006. Seniors and the people who care about them have been waiting for a Medicare drug benefit since the original program was created back in 1965. Its protection against catastrophic drug costs alone will guarantee that no senior is ever again made destitute by the drug demands of a serious illness.

That sounds like a good solution to me. And in the tradition of good solutions, it didn't come quick and it didn't come easy.

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