

# White House appears to be shutting door on prescription drugs from Canada

By: Lee-Anne Goodman, THE CANADIAN PRESS

9/12/2009 4:18 PM

WASHINGTON - An attempt by a North Dakota senator to give Americans the right to buy cheaper prescription drugs from Canada could be on life support despite President Barack Obama's onetime support of the idea. An amendment to the health-care reform bill currently before the U.S. Senate would have allowed the reimportation of American-manufactured prescription drugs back into the United States at far lower prices - most of them from Canada. The proposal has the bipartisan support of more than 30 lawmakers in a country where citizens pay among the highest prices for prescription drugs than anyone else in the world.

But the amendment, spearheaded by Sen. Byron Dorgan - a longtime champion of the issue - is facing sudden obstacles from the Obama administration that could sound the death knell.

The White House's tactics would "certainly impede the ability of Americans to import drugs from Canada," Arizona Sen. John McCain, a co-sponsor of the amendment, said Wednesday during a Senate debate on the proposal.

McCain was referring to the Food and Drug Administration's 11th-hour criticism of Dorgan's proposal, saying it would be "logistically challenging" to ensure that imported medicines were safe, even though the drugs in question already have FDA approval.

In a letter to a Republican senator, Margaret Hamburg, the head of the FDA, said that overseeing the reimportation would be "resource-intensive" since the federal agency lacks jurisdiction over foreign drug supplies.

"In addition, there are significant safety concerns related to allowing the reimportation of non-bioequivalent products," she wrote, adding that there could be potential "confusion" in the labelling and distribution of the drugs.

Under U.S. federal law, pharmaceutical companies are the only ones legally allowed to import prescription drugs approved by the FDA into the United States. Drug companies import more than US\$40 billion in drugs into the country, while drug wholesalers and consumers are shut out of the global marketplace.

Dorgan was livid about the FDA's letter, calling it "completely bogus."

The senator also suggested Obama was cowing to the powerful pharmaceutical lobby, which has vehemently opposed reimportation for years. The George W. Bush administration, influenced by drug companies, repeatedly slammed the door on the idea.

But Linda Douglass, spokeswoman for the White House Office of Health Reform, cited the \$5 million Obama proposed in his 2010 budget for the FDA to develop import policies. She said the agency will continue working on ways "to create a pathway to importing safe and effective drugs."

Both Obama and his chief of staff, Rahm Emanuel, supported reimportation when they were Illinois lawmakers. But in July, the White House and the Pharmaceutical Research and Manufacturers of America - commonly known as PhRMA - said that reimportation wouldn't be necessary if an effective health-care bill passed, resulting in lower drug prices.

The pharmaceutical industry is under fire this week, with congressional legislators investigating whether drug-makers artificially hiked their prices over the past year in anticipation of health-care reform.

Dorgan's proposal is not only supported by Democrats and Republicans alike, but it's also been endorsed by the National Federation of Independent Businesses and the American Association for Retired People.

However, it would require the White House to renege on a deal with PhRMA to achieve \$80 billion in savings on drug costs over 10 years, money that would help pay for the legislation. The White House effectively promised to leave reimportation out of its health-care reform overhaul in a pact many top congressional Democrats derided as a deal with the devil.

While many Canadian wholesalers are keen to get further access to the lucrative U.S. market, pharmacists in Canada have raised concerns that reimportation could lead to drug shortages north of the border.

In the past decade, some U.S. drug companies cut off supplies to the Canadian pharmacies that sold prescription drugs to American consumers, resulting in Canadian shortfalls.