From: DHHS.Rulemaking.Comments@informe.org

Subject: Comment on Wholesale Prescription Drug Importation Program

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To: Garratt-Reed, Megan Kingsbury, Jill

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The following comment was submitted in regards to Wholesale Prescription Drug Importation Program

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Comments:

Comment on Proposed Rule: Wholesale Prescription Drug Importation Program; 10-144 C.M.R. ch. 104, Maine State Services Manual, Section 8, Wholesale Prescription Drug Importation Program

## Kara Jones

This is a comment applauding and asking questions about the rule out of the Maine Department of Health and Human Services to "adopt a process for the design of a wholesale prescription drug importation program, in anticipation of the release of federal rules establishing an application pathway for demonstration projects allowing importation by states and other entities."

The prohibition of drug importation from other countries is a restriction on free trade. As long as the U.S. Department of Health and Human Services determines that the state can ensure patient safety, Maine should be free to practice free trade with Canada just as they would with any other product.

The states of Florida, Colorado, and Vermont have succeeded in adopting similar laws to allow drugs to be imported from Canada, and several others area also considering the idea.

But while the federal government has said that it would allow states to seek approval to do this, currently, we are not sure how exactly such a program would look or how it would be structured, because none have yet been green-lighted from the federal government. The questions I have for the state of Maine are as follows:

1. How will the state decide which drugs are included in the program? Will the state cap importation at only the most expensive drugs?

2. How often will this list of drugs be updated, and what will the process be?

3. How will consumers gain access to the new drugs imported from Canada – will they be included in local pharmacies, or will they have to be received another way?

However, the Maine Department of Health and Human Services should know that drug importation from Canada—while a laudable effort—will not be a magic bullet for reducing pharmaceutical prices in the state. Drug companies already have a lot of experience with dealing with drug importation in the European Union and have learned how to manage their inventories in order to restrict the sale of drugs to foreign countries. You may read more about this in a research paper by University of London scholars, "Parallel Trading in Medicines: Europe's Experience and Its Implications for Commercial Drug Importation in the United States," published by the AARP Public Policy Institute.

In addition, Canada has only one-tenth the size of the U.S. population. This means that even if we import an entire 10 percent of Canadian drugs, that will only translate to 1 percent of the U.S. market. It is likely not to have as big of effect as some may think. In addition, Canada is right behind the U.S. following its high prescription drug prices, meaning that the benefit to the patient will be severely limited if Maine is only importing from Canada and not other countries as well. Another question for the state is:

4. Does Maine intend to expand its drug importation program beyond Canada if the federal government approves such a measure?

Finally, I would like to add that it is a shame that the proposed rule from the federal government allowing states to experiment with drug importation does not allow biologics or infused drugs to be included in importation due to other legal issues. Maine should push to have these drugs included, as they are major drivers of pharmaceutical spending in the U.S. That being said, this rule could have a huge positive impact on bringing down the price of specific drugs – such as drugs for rare diseases, where the price difference between the Canadian drug and U.S. drug is astronomical.

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