

Consulate General of Canada



Consulat général du Canada

WYOMING
DEPT. OF HEALTH

AUG 21 2020

OFFICE OF
THE DIRECTOR

August 18, 2020

Ms. Kathryn Burkell
Consulate General of Canada
1625 Broadway Suite 2600
Denver, Colorado 80202

Director Michael Ceballos
Wyoming Department of Health
Director's Unit for Policy, Research and Evaluation
401 Hathaway Building
Cheyenne, WY 82002

Dear Mr. Ceballos,

We are writing today to offer comments from the Government of Canada on the feasibility study on importing prescription drugs as a way to lower drug prices in Wyoming, as mandated by the Wyoming House of Representative's Enrolled Act No. 45, *An Act relating to food and drugs; requiring the department of health to study the feasibility of a prescription drug importation program for possible implementation in Wyoming; specifying study parameters; requiring a report; and providing for an effective date.*

The problem of the high cost of prescription drugs is one that Canada understands and shares. However, we are very concerned about any proposal for a program to allow bulk importation of prescription drugs from Canada, as we are concerned about any action that would negatively impact access to affordable medicine for Canadians.

As Wyoming and other states consider policy options to reduce the price of prescription drugs, including options to allow drug imports from Canada, it is important to recognize that Canada's drug prices are now the third highest among Organization for Economic Co-operation and Development (OECD) countries - that is about 25% above the OECD median. And in recent years, drug spending has accounted for an increasingly large proportion of expenditures in the Canadian health care system, with these expenditures growing faster than any other component of health care. Expenditures on drugs have now surpassed spending on physician remuneration to become the second largest cost in the Canadian health care system, after hospitals.

Furthermore, the Canadian market is too small to make a real impact on U.S. drug prices. To put this in perspective, the U.S. consumes 44% of the global prescription drug supply, compared to Canada's 2%. Canadian stakeholders, including health care practitioners, patients, pharmacists and industry, have accordingly expressed their concerns with the potential negative impact on Canada's supply of prescription drugs, and on Canadians themselves.

In addressing high prescription drug costs, we urge you to consider some of Canada's practices as detailed in the comments provided to the U.S. Food and Drug Administration on its Proposed Rule on the Importation of Prescription Drugs. These are available here:

<https://www.regulations.gov/document?D=FDA-2019-N-5711-1208>.

The Government of Canada's priority is to ensure that Canadians have reliable and steady access to a safe, effective and affordable drug supply. As such, the Government of Canada would be forced to respond to any actions that could endanger the health and safety of Canadians by threatening the supply of prescription drugs or causing the costs of prescription drugs for Canadians to increase.

The Government of Canada remains dedicated to working with our U.S. friends, partners, and allies, including in the state of Wyoming, to improve our citizens' health and well-being. Instead of looking to importation of prescription drugs from Canada, we urge Wyoming to focus on domestic solutions to address this crisis of pharmaceutical costs in the United States and in the Equality State.

Very Respectfully,

A handwritten signature in black ink, appearing to read 'K. Burkell', written in a cursive style.

Kathryn Burkell
Acting Head of Mission