

January 21, 2020

Senate Commerce Committee
NH State Senate
107 N. Main Street
Concord, NH 03301

Dear Chairman Cavanaugh and Members of the Committee:

I am writing to explain my concerns with and opposition to SB685, which would establish a wholesale prescription drug importation program in New Hampshire. I am Shabbir Imber Safdar, the Executive Director of The Partnership for Safe Medicines, a sixteen-year-old not-for-profit that accepts no corporate members or donations. Our members are other nonprofits and trade associations that represent manufacturers, wholesalers, pharmacists, and patients—everyone that touches medicine from the factory floor to the patient.

We take positions almost exclusively on pharmaceutical supply chain safety issues, tightly focusing on policies that reduce the threat of counterfeits in the American drug supply. That includes regulations around pill presses, training and resources for law enforcement to recognize counterfeit drugs and counterfeit drug traffickers, and policies that weaken or strengthen the supply chain.

The Partnership for Safe Medicines has studied the policy implications of importation for many years. Looking at all the evidence, we and many other experts, including four former FDA commissioners, have found that it is impossible to implement Canadian drug importation in a way that is safe or will save money.

To begin with, Illinois, Minnesota, and Maine have attempted importation in the past without success. Every program had patient safety problems. Illinois and Maine shuttered their programs when they failed to save enough money to justify the state budget costs.

Canadian medicines are not available to us. Canadians, including the federal government led by Trudeau, healthcare professionals, and patient communities have said they don't want us raiding their drug supply. Widespread drug shortages already plague their country, and because they import 70 percent of their own medicine, they have no way to increase production to accommodate bulk purchases from U.S. states.

As written, SB685 suggests that all we have to do is buy from licensed Canadian wholesalers, and we'll be safe, but we cannot outsource our safety to Canada. Hundreds of American medical clinics learned that they had been buying fake cancer medicine from a licensed Canadian wholesaler between 2009 to 2012. In 2005, the FDA found that licensed Canadian pharmacist Andrew Strempler, who supplied thousands of Americans with medicine, was selling counterfeits, too.

New Hampshire has been specifically affected. Over the last decade, the FDA has warned eight New Hampshire medical practices and one pharmacy to stop doing business with dangerous unlicensed wholesalers, including a Canadian one that took years to shut down because of cross border legal challenges of prosecution.

Some legislators support drug importation in the spirit of experimentation, theorizing that nothing bad will happen to their constituents if the program does not work. Sadly, that isn't the case. Counterfeiting medicine is a massive world-wide industry, and while fake handbags and sneakers won't kill you, fake medicine will. This has been the history of the Canadian online pharmacy industry. When Canadian online pharmacies like Strempler's RXNorth found that they were unable to meet American demand about 15 years ago, they turned to cheap foreign-made counterfeit products and passed them off as Canadian. Other pharmacies with names like "Canada Drugs" or "Canada Drug Center" also took this tack, and in some cases, people were killed by tainted medicines or received counterfeits that were supposed to be lifesaving.

There isn't an elected official today who doesn't hear from their constituents that health care costs are an issue, and pharmaceutical spending, which is less than 20% of overall healthcare spending, is certainly a piece of the problem. But states are finding other, safer ways to address these costs. Louisiana has negotiated a "Netflix" subscription model, which will allow the state to treat hepatitis C in every single patient in the state at a fixed cost. West Virginia kicked their Pharmacy Benefit Manager out of their Medicaid program and saved \$52 million in their first year. Other states are looking at capping co-pays on products like insulin.

SB685 sounds like a good idea, but it will feed an existing black market in poorly regulated and counterfeit drugs. Rather than simply fail, the bill will create incentives for Canadian wholesalers to ship counterfeit or substandard medicine into America that will be expensive to detect, and even more expensive for patients if we fail to detect it. It is never smart to sacrifice safety to reduce cost.

Sincerely,

Shabbir Imber Safdar
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