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### **Senate Bill No 2209 – Prescription Drug Importation**

House Human Services Committee – Pioneer Room  
9:30 AM - Tuesday – March 9<sup>th</sup>, 2021

Chairman Weisz, members of the House Human Services Committee, for the record I am Mark J. Hardy, PharmD, Executive Director of the North Dakota State Board of Pharmacy. I appreciate the opportunity to be here to speak to you today about Senate Bill 2209 and offer our perspective on this bill, as well as discuss the fiscal aspect of the bill and answer any questions you may have about this legislation.

Certainly, the Board of Pharmacy stands ready and willing to act on any legislation that you determine to be appropriate to be implemented for the State of North Dakota and will assist in whatever capacity needed.

The concept of a *Drug Importation Plan* is certainly not new to the Board of Pharmacy, as previous Executive Director, now Senator Howard Anderson was instrumental in working with Senator Dorgan on some of the efforts back in the early 2000s, to put the legislation in place which is now being acted upon Federally. The model was termed the "*Prairie Prescription Project*."

There is a deep layer of complexity with how this importation may work for the State of North Dakota. We certainly understand and appreciate the need for legislative solutions relative to the pricing of prescription medications. Our Office hears about the issues in pricing models from the public entities, patients and even our pharmacists. The current broken model of drug pricing with the many players involved continues to be a bone of contention. We also must deal with the flip side, the illicit transportation of medications, purported to be Canadian Drugs that flow to consumers of our State. Often, in fact, these medications are actually adulterated and are shipped from third-world countries that are only marketing themselves as Canadian Drugs, often on the internet.

The proposal in SB2209 sets forth the ability to contract with another state who operates a legitimate process for importation of prescription medications to flow from approved Canadian Wholesalers to the State of North Dakota and sets a fairly complex process for how those medications would actually get to the consumers in our State.

Of note, this legislation is going to place the authority with the Department of Health to determine if it would move forward with a *Drug Importation Program*. To fund the program, the Board of Pharmacy is tasked with providing an appropriation, based on license fee increases set in Section 3 of the bill.

In the prepared fiscal note you will see the revenue associated with the license fee collected by the Board of Pharmacy, which is a fairly accurate representation of increasing licensing fees on the specific business license types in section 3 of the bill from \$400 to \$1,000.

The Board is requesting an amendment to clarify the appropriation section starting on page 3, line 28. We do not believe the intent is to raise and collect the increase license fees unless a *Drug Importation Program* is planned to be implemented. We do not need to increase these fees for any operations of the Board. We would recommend changing “shall” to “may” on line 29 as well as making it contingent upon initiating a contract with another state.

To be completely transparent, our office sees a difficult path to implement and enforce such a program, both in a process perspective and in the ability to garnish a working model of importation with a Canadian Wholesaler. Our contacts with our counterparts in Canada indicate a deep resistance within the legitimate wholesale channels of Health Canada to assist states developing a *Drug Importation Program*. The Canadian Government has already taken preemptive steps to make exportation from Canada illegal for any medication that could be in a shortage. Furthermore, states that have been more actively soliciting, to our knowledge, have not found suitable partners for a working program.

The Board of Pharmacy will continue to closely monitor other states for any developments, especially if SB2212 and the resulting study are enacted. Certainly, choosing a wholesaler that may not be a legitimate source is definitely *NOT* an option for North Dakota as the health and welfare of our citizens is paramount. The proven integrity of those products must be assured.

We stand ready to assist the State in whatever capacity it determines to move forward.

If you have any questions, I would be happy to answer them at this time.