



State of North Dakota
Doug Burgum, Governor

OFFICE OF THE EXECUTIVE DIRECTOR
1906 E Broadway Ave
Bismarck ND 58501-4700
Telephone (701) 328-9535
Fax (701) 328-9536
STATE BOARD OF PHARMACY

Mhardy@ndboard.pharmacy
www.nodakpharmacy.com

Mark J. Hardy, PharmD, R.Ph.
Executive Director

Senate Bill No 2209 – Prescription Drug Importation

Senate Human Services Committee – Sakakawea Room
10:00 AM - Wednesday – January 27th, 2021

Madam Chair Lee, members of the Senate 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 note on the bill and answer any questions you may have about this legislation.

I understand that this is part of a larger discussion and that the two other bills, SB2170 and SB2212 may also factor in on the committee's wishes on 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 plan 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 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 a significant burden on the Board of Pharmacy, we are thankful that the Bill Sponsor recognizes and provided a revenue stream the Board can look to enact to assist in funding if the legislature determines to move forward with a *Drug Importation Program*. The Board is a self-sustaining agency, which operates strictly on the license fees collected.

In the prepared fiscal note you will see the revenue, which is a fairly accurate representation of increasing licensing fees on the specific business license type from \$400 to \$1,000. On the expense side, it is a very difficult proposition to understand the true implementation and running of a program such as this importation model. Our best estimate would be that we would run as a percentage of what the RFP that was run in the State of Florida, which was \$30 million dollars. By population, that roughly equates to about one million to the State of North Dakota. It is important to note that there were no bids that were received on the RFP in Florida to begin and operate a *Drug Importation Program*. There are also provisions in the Legislation that has some capacity for streamlining work on a model, including linking up with other State's programs and coordinating with other agencies, as the Board of Pharmacy sees fit.

To be completely transparent, we have deep concerns about our ability to implement and enforce such a program, both in 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 develop 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.

I do believe there will be the large challenges to a workable *Drug Importation Program* and have been closely monitoring other states for any developments. 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.

Lastly, we are happy to work with committee members, as well as other agencies involved in previous legislative bills to see if there is a workable model, where the Board of Pharmacy could lend its expertise. Again, 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.