

Senate Bill 2209

Testimony of Senator Howard C. Anderson Jr. of District 8

Madam Chair and members of the Senate Human Services Committee. This bill is about getting access to lower prescription drug prices for the North Dakotans

You will notice that this bill and my testimony are very similar to SB 2212. That is intentional as we only need one of these two bills. This one puts the responsibility on the Board of Pharmacy where the ability exists, with your approval, to increase licensure fees on drug manufacturers to pay for the program to import their drugs..

Most of us inherently perceive the prices for the things we buy are too high and the prices for the things we sell are too low. Prescription drugs are no different. Some of these drugs are lifesaving and we need them very badly.

Others will speak to the prices they pay for medications and the experience they have had with the same, or very similar (a conciliation to the manufacturers) medications purchased in Canada.

Manufacturers of prescription drugs do not like these bills. They say, "we are a free market country and we should be able to charge what we want to charge". OK, then let them explain to us and the American people why they should charge us more than those across our borders. We let them advertise on television, create a market for their product, and then tell our insurance companies and Medicaid what they will charge. The patient has very little ability to shop for the best price.

The pharmacy is stuck in the middle. They are trying to serve their patient while the Government or the insurance company, perhaps through their Pharmacy Benefit Manager is establishing the Maximum Allowable Cost for the drug and setting the fee the pharmacy can charge.

Way back in 2003 our then Senator Dorgan got the current law set in USC 504 allowing importation of drugs from Canada. No administration ever implemented it until in December 2020 rules were promulgated and these two bills, SB 2212 and SB 2209 were drafted to take advantage of those rules.

This idea was developed as a model bill by the Nation Academy of State Health Policy with input from the American Association of Retired Persons and others.

Some will say, "why Canada"? Well there are many countries with lower prescription prices than the United States. But we like Canada, particularly here in North Dakota. They are our neighbors. If we go to Canada or know Canadians, we are comfortable they get good drugs and have good health care. When a drug is approved by Health Canada, we are as comfortable with it as one approved by our own Food and Drug Administration.

Most of us have never heard a good explanation of why the same drug a few miles across the border sells for 40%, 30% or even sometimes 20% of the price for the same drug in North Dakota.

Other states have adopted this approach and I am not sure if any have a program ready to import drugs, as yet. This bill does have provisions which allow us to join other states who are working on the same process or who get a program up and running.

Now Canada may not be happy with us importing from them and using up their drug supply. The market usually flows to where the business is so I think they will solve that over time. There is a risk, if we are successful, prices might rise north of the border. They might also go down here.

Thank you,

Howard