

Approved: February 24, 2005

Date

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairman Jim Morrison at 1:30 P.M. on February 21, 2005, in Room 526-S of the Capitol.

Committee members absent:

Representative Brenda Landwehr- excused
Representative Judy Showalter- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Mary Galligan, Kansas Legislative Research Department
Rena Jefferies, Revisor of Statutes' Office
Gary Deeter, Committee Secretary

Conferees appearing before the committee:

Representative Barbara Ballard
Representative Delia Garcia
Rod Bremby, Secretary, Kansas Department of Health and Environment
Kathy Damron, Girl Scouts of Kansas
Charles Mossman, Kansas Chiropractic Association
Chris Ward, representing PHRMA (Pharmaceutical Research and Manufacturing Association); former Government House Leader, Province of Ontario, Canada
Debra Billingsley, Executive Secretary, Kansas Board of Pharmacy
John Kiefhaber, Executive Director, Kansas Pharmacists Association
Karen Braman, Deputy Director, Governor's Office of Health Planning and Finance
Maren Turner, State Director, AARP Kansas

Others attending:

See attached list.

The minutes for the Health and Human Services meetings for February 16 and 17 were approved.

The Chair opened the hearing on [HB 2417](#).

Representative Barbara Ballard spoke as a proponent. ([Attachment 1](#)) She noted that this bill joins other legislative initiatives on obesity, saying that the bill reflects the mission of the Kansas Council on Obesity Prevention and Management and, through the services of the Kansas Department of Health and Environment, will make Kansans more aware of obesity as a disease, will save lives, preserve human dignity, and decrease the cost of health care. Members complimented Representative Ballard on the focus of the bill and posed several questions. Representative Ballard said the Center for Disease Control had statistics showing the fiscal impact of obesity; she further noted that the cost of obesity included emotional factors that were more difficult to quantify. Observing that the bill was modeled after Louisiana legislation, she said she did not want to duplicate other efforts, but wanted the legislature to be included with other obesity initiatives.

CONTINUATION SHEET

MINUTES OF THE House Health and Human Services Committee at 1:30 P.M. on February 21, 2005, in Room 526-S of the Capitol.

Representative Delia Garcia presented personal information in support of the bill. ([Attachment 2](#)) She said the bill is comprehensive, diverse and collaborative. She presented her personal health statistics to show the value of reducing obesity.

Rod Bremby, Secretary, Kansas Department of Health and Environment, testified as a proponent. ([Attachment 3](#)) He reviewed statistics to illustrate the extent of obesity in children, youth, and adults, saying the prevalence of obesity can be considered an epidemic; he noted that, besides the significant direct costs, indirect costs include loss of productivity and absenteeism. He cited the Governor's *Healthy Kansas: Taking Steps Together* program and other groups aligned to increase awareness of the problem and decrease the incidence of obesity; he encouraged the committee to find mechanisms to integrate and coordinate the concepts of the bill with the *Healthy Kansas* initiative.

Kathy Damron, representing the Girl Scouts of Kansas, spoke in support of the bill. ([Attachment 4](#)) She said the incidence of obesity in children has doubled and in adolescents has tripled, noting that only 2% of children eat a healthy diet. She said the bill could bring together various groups to work together through the proposed Kansas Council on Obesity Prevention and Management.

Rebecca Rice, Kansas Chiropractic Association, speaking for Dr. Charles Mossman, suggested the bill be amended to include an appointee from the Kansas Chiropractic Association, since chiropractors have a long history of facilitating the outcomes that the bill envisions. ([Attachment 5](#))

The Chair closed the hearing on **HB 2417** and opened the hearing on **HB 2337**.

The Chair welcomed Chris Ward, representing PHRMA (Pharmaceutical Research and Manufacturing Association); Mr. Ward has a consulting firm, Ward Health Strategies, and was formerly Government House Leader for the Province of Ontario, Canada. He spoke as a proponent for the bill. ([Attachment 6](#) and [Attachment 7](#)) He listed issues that he said make importation of drugs from Canada inadvisable and dangerous to consumers. He noted that, given the monetary exchange rate between two countries and the fact that Canadian employee compensation is half that of the United States, Canadian seniors find prescription drugs no more affordable than U.S. citizens do.

Commenting on the safety of imported drugs, Mr. Ward stated that although Canadian agencies regulate prescription drugs carefully, any drugs imported into Canada for the purpose of mailing them out of the country—or drugs ordered through the Internet—are not regulated; therefore, the safety of the products can be neither verified nor guaranteed, leaving consumers at significant risk. Further, he said that Canada does not have enough drugs to meet the needs of the American market, commenting that if all Canadian drugs were diverted to America, the U.S. would still have a \$3.1 billion shortfall.

Making another point, Mr. Ward said that five years ago 60% of Canadian drugs originated in the U.S.; however, currently Canada has prescription drug partnerships in over 30 countries, alliances which often result in trans-shipment of drugs from other countries to Canada as a way station for shipment to the U.S.; he further

CONTINUATION SHEET

MINUTES OF THE House Health and Human Services Committee at 1:30 P.M. on February 21, 2005, in Room 526-S of the Capitol.

noted that 60% of drug imports to Canada now originate in one of 86 other countries, often making Canada a pharmaceutical portal, not a destination, a fact that has caused the Canadian government to begin developing a plan to prohibit such practices. He said such activity should also make U.S. citizens more wary of the efficacy of drugs they receive through Canada.

Debra Billingsley, Executive Secretary, Kansas Board of Pharmacy, spoke in favor of the bill. ([Attachment 8](#)) She said the Board's duty is to assure the safety of the drug delivery system and protect the health of Kansas citizens. She stated that the bill helps to give clarity to the law and gives the Board tools to help protect the public.

John Kiefhaber, Executive Director, Kansas Pharmacists Association, testified as a proponent. ([Attachment 9](#)) He observed that by importing prescription drugs from outside the U.S., consumers are losing a key to drug safety, since local and hospital pharmacists know proper drug dosage and side effects and can educate and protect citizens. He observed that importation of prescription drugs violates up to four provisions of the federal Food, Drug and Cosmetic Act.

Karen Braman, Deputy Director, Governor's Office of Health Planning and Finance and a licensed pharmacist, spoke in opposition to the bill. ([Attachment 10](#)) She said that although importation of drugs from outside the country is against the Food and Drug Administration (FDA) rules, the agency has to date taken no action to prevent importation of prescription drugs for personal use, noting that over two million Americans have imported pharmaceuticals from Canada and other countries because they are less expensive. She cited the Kaiser Family Foundation survey, which showed that many low-income individuals, especially seniors who have chronic health problems, have desperate health needs and few resources to provide for them. She stated that the Dorgan-Snowe bill currently in Congress contains important safety protections and offers the possibility of access to lower medications from other countries, and she noted that the Governor is working with Kansas pharmacists to establish a pooled buying program to reduce medication costs, saying that Kansas should provide a variety of options for its citizens. Ms. Braman advised the committee of an appendix to her testimony that cited various sources to support the Governor's program.

Maren Turner, State Director, AARP Kansas, testified as an opponent. ([Attachment 11](#)) She lamented the fact that individuals were forced to seek affordable drugs outside the U.S., but she said for many with low incomes, they are often forced to choose between drugs and utilities or between drugs and food. She commented that it was unwise to criminalize something as basic as prescription drugs.

Norman Marvin, a medical doctor from Overland Park, provided written testimony as an opponent. ([Attachment 12](#))

The Chair invited members to ask questions, to which conferees responded thus:

Mr. Ward repeated his statement that although Canadian prescription drug regulatory oversight is equal to

CONTINUATION SHEET

MINUTES OF THE House Health and Human Services Committee at 1:30 P.M. on February 21, 2005, in Room 526-S of the Capitol.

the U.S., mail-order and internet sales lie outside the jurisdiction of regulatory agencies; therefore organizations supplying prescription drugs to the U.S. get their products from secondary wholesalers in one of 30 different countries and ship them to the U.S. with no inspection or oversight by Canadian regulatory agencies. He quoted from liability waivers that import companies require importers such as the I-Save-RX to sign. He noted that imported drugs can easily be counterfeited, and, even if they are genuine and safe, they have been diverted from the supply reservoir of other countries. He commented that the only requirement for a Canadian company to export drugs to the U.S. is an export certificate.

Mr. Kiefhaber said the Pharmacists Association was working with the Governor's office to develop systems to reach target populations with prescription drugs. He expressed optimism regarding the Medicare Drug Benefit program, which will go into effect January 2006.

Ms. Billingsley said that the Board is adamantly opposed to the Governor's import program because it is not possible to assure that the imported drugs are safe; she said it is difficult to oversee licensed individuals and nearly impossible to track unlicensed individuals.

Ms. Turner said the Governor's office is considering many tools to bring affordable prescription drugs to those who need them: importing drugs for senior, encouraging the passage of the Dorgan-Snowe bill, working with pharmaceutical companies to regulate prices, and educating seniors about Medicare Part D. She said her office tries to educate individuals regarding the risks of importation. She stated that the FDA has no laboratories in other countries.

Mr. Ward said that because Canada does not have a free market in health care, generic drugs are specifically tied to brand-name prices. He commented that prescription drugs imported into Canada for Canadian consumers have a mutual-equivalency requirement that assures quality. He agreed with a member that drug manufacturers provide oversight regarding equivalent drugs, but many importers have no arrangement with the manufacturer and import prescription drugs through the black market. He stated that the Canadian government is presently promulgating regulations to stop the drug-exporting business. He admitted that, because he represents drug manufacturers, his agenda is aimed at protecting his clients, adding that importing prescription drugs from Canada is a shortcut that is imprudent and ineffective.

Ms. Billingsley said she has no records to indicate any Kansans who import prescription drugs have been harmed, noting that the Board is often put in an awkward position in dealing with an increasingly popular practice of importation of drugs, further commenting that it is not the Board's duty to develop cost-saving programs, but to ensure that the drug distribution network is safe for the public.

The Chair closed the hearing on **HB 2337**.

The meeting was adjourned at 3:16 p.m. The next meeting is scheduled for Tuesday, February 22, 2005.