

February 18, 2005
Representative Morrison, Chair
Health and Human Services Committee
In opposition to HB 2337

Good afternoon Chairman Morrison and Members of the House Health and Human Services Committee. My name is Maren Turner and I am the State Director of AARP Kansas. Thank you for this opportunity to express our comments and opposition to HB 2337.

AARP Kansas, representing more than 350,000 Kansans over the age of 50, greatly appreciates the opportunity to share with you the Association's views on prescription drug importation, and to express our strong opposition to House Bill No. 2337. We believe this legislation is an inappropriate and overly drastic response to a complex problem facing all Americans. Kansans who are purchasing their prescription drugs from abroad are doing so because they cannot afford to pay escalating drug prices. Denying them access to the medications they need at a cost they can afford is simply wrong. We urge you to reject this bill and we pledge to you our willingness to work with you to find more effective ways to improve Kansans' access to safe and affordable prescription drugs.

The Medicare prescription drug benefit was an important first step in helping those over 65.. But now more needs to be done to control the rising costs of prescription drugs so that Americans of all ages can afford needed medications. Modern medicine increasingly relies on prescription drug therapies; yet the benefit of these therapies still eludes those Americans who cannot afford to pay escalating drug prices. Between 1998 and 2003, prescription drug prices rose at nearly twice the annual rate of inflation for that same period.

CMS estimates that, in 2003, per capita spending on prescription drugs rose approximately 12 percent, with a similar rate of growth expected for this year. Much of the increase in drug spending is due to higher utilization and the shift from older, lower cost drugs to newer, higher cost drugs. However, rapidly increasing drug prices are a critical component.

High drug prices, combined with the surging older population, are also taking a toll on state budgets and private sector health insurance costs. Medicaid spending on prescription drugs increased at an average annual rate of nearly 20 percent between 1998 and 2001. Until lower priced drugs are available, pressures will continue to squeeze public programs at both the state and federal level. Pressure will continue on the private sector as well, possibly leading to elimination of, or reductions in, employer-provided drug benefits. Further, over 43 million Americans currently have no health insurance coverage. Without access to negotiated prices, these Americans pay among the highest

prices for prescription drugs in the world or, worse yet, don't fill prescriptions because they cannot afford to pay for them.

AARP surveys demonstrate that our members consider drug prices exorbitant and the single most significant barrier to obtaining needed medications. Responses to an AARP Bulletin questionnaire last fall showed that our members split pills, skipped doses, asked doctors for free samples, and sold possessions because the costs of needed medications were too expensive. One woman poignantly noted that she begged for the unfinished prescriptions of friends who had died, hoping their left-over drugs would meet her needs.

Americans of all ages need affordable prescription drugs now. Safe importation of prescription drugs from Canada is one way to begin to secure lower priced drugs. Our members question why prices in Canada can be lower, sometimes far lower, than prices in the U.S. It is a national embarrassment that people from all over the world come to the United States to access our advanced medical systems while many of our own citizens need to look outside our borders in order to afford their prescription drugs. But with the same drugs selling, in some cases, at 30 percent and even 50 percent less in Canada and overseas, it is hardly surprising that so many make that choice.

It is no longer a question of whether we should or should not allow the importation of drugs from abroad. The simple fact is that importation is already happening. Many Americans travel to Canada for less costly prescription drugs, or purchase their drugs through the Internet without any systematic U.S. oversight process in place to assure safety. Importation of drugs is likely to continue whether or not Congress acts. The trend is growing, and we have a responsibility to ensure that Americans can access lower cost drugs without putting their health at risk. AARP therefore supports legalizing importation through a system that ensures safety and lowers drug costs.

That is why we support the Dorgan-Snowe prescription drug importation bill (S. 334), and its House companion, the Emerson-Brown bill (H.R. 700) which would legalize personal and wholesale importation of prescription drugs, starting with Canada. There are three key reasons why AARP supports S. 334 and H.R. 700:

- It includes strong safety protections;

- It attempts to prevent the drug industry from limiting supplies of drugs that would prevent importation; and

- The Dorgan-Snowe and Emerson-Brown bills have bipartisan support.

While we believe that importation is largely a federal issue, we also support the efforts of state officials across the country to facilitate citizens' access to more affordable drugs. That is why we have filed an amicus brief in support of the State of Vermont urging the Secretary of Health and Human Services to grant that state a waiver to allow importation on behalf of its state employees, and that is why we have stood with state officials and legislators throughout the country to highlight the need for Americans to be able to obtain affordable prescription drugs from abroad.

We know that importation is not a panacea for the problem of soaring drugs. Nor is it the only answer to lowering drug prices. That's why AARP has launched a national prescription drug affordability campaign that includes importation as one of several measures to contain prices. As part of this campaign we are advocating lower state prescription drug spending, using litigation to ensure that lower cost drugs get to the market, and shining a spotlight on drug prices.

In conclusion, AARP wishes to express its opposition to House Bill No. 2337, and urges you to reject this measure. It is a fundamental mission of AARP Kansas to improve access to safe and affordable prescription drugs. This bill is contrary to that mission.

Maren Turner
AARP Kansas