

# Senate blocks bill to import Canadian drugs

Opponents say the bill will restrict new drug research.

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WASHINGTON — Eight years ago, FedEx lost a package filled with expensive epilepsy medicine. Without the money to purchase the drug at U.S. prices, a family from the southeastern Missouri town of Jackson turned frantically to representatives in Congress to help find the cargo that disappeared between a pharmacy in Canada and Missouri.

"That's when I first found out you could even do that," Rep. Jo Ann Emerson, R-Mo., said about ordering medications abroad for lower prices.

After just three weeks in office, Emerson found herself drawn into the politically charged and economically com-

plex issue of drug reimportation — the illegal sale of pharmaceuticals in the United States that come from countries where they sell for substantially less.

More than four congressional terms later, the Missouri Republican and other members of Congress are demanding a Senate vote on a bill that would authorize such drug imports. They say the legislation would pass if Senate Majority Leader Bill Frist, R-Tenn., would bring it to the floor.

Joining them in a news conference Thursday was Peter Rost, a vice president from the pharmaceutical company Pfizer, who broke ranks with his colleagues and spoke in favor of the bill. He says it would legalize practices like those he helped oversee in Europe for 20 years.

"It's outright derogatory to say that Americans would not be

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able to handle this," Rost said.

Darran Alberty, a co-owner of D&H Prescription Drug Store in Columbia and treasurer of the Missouri Pharmacy Association, said a number of Missouri patients fill prescriptions through mail-order pharmacies, some of which are in Canada.

"I don't blame them for wanting to save some money," he said.

A quick scan of canadax.com, a Canadian pharmacy Web site, revealed drug savings ranging from a few dollars to upward of 50 percent of the cost at a Columbia pharmacy.

Alberty said something should be done to reduce U.S. drug costs. He added, however, that foreign mail-order prescriptions can put patients at greater risk of buying counterfeit drugs or medications that were not handled properly.

On the national level, views on drug reimportation are mixed. The average cost of research required in bringing a new drug to the market is \$800 million, said Jeff Trehwitt, a spokesman for Pharmaceutical Research and Manufacturers of America, a group that represents many of the country's biggest pharmaceutical firms, and some fear the bill would force drug companies to cut spending on such research.

"It's a matter of bringing in someone else's failed price controls," Trehwitt said. Canada's prices are lower because its government sets the price of drugs and threatens to ignore companies' patents if they do not comply, he said.

The result, MU economics professor Ronald Ratti said, is that resources will be severely restricted for research. He was one of several economists who signed a letter this year protesting reimportation legislation. The letter was written by Milton Friedman and published by the libertarian Heartland Institute.

At last week's news conference, Rost said that of drug giant Merck's \$225 billion in annual sales, it spent \$32 billion on research and development and \$3.3 billion on stock dividends and reported a profit of \$6.8 billion. Although Merck would lose money if the legislation passed, he said, drug companies would still be profitable enough to encourage investment in research.

Emphasizing long-term costs, Ratti said, "the burden of proof is on those who would make substantial adjustments to the existing system."

Emerson is one of those people. She was credited with helping the bill pass in the House last year and said the bill had little support from her Missouri colleagues. In the Missouri delegation, Rep. Lacy Clay, D-St. Louis, and Rep. Ike Skelton, D-Lexington, also voted in favor of the measure.

"There are more pharmaceutical lobbyists than there are (congressional) members on Capitol Hill," Emerson said.

She said polling indicates that 80 percent of people in her district know they can get drugs at lower prices from Canada, and many of her constituents have told her they order drugs illegally from Canadian pharmacies. Although she is wary of some Internet drug-import sites, she said Canadian drugs could be distributed safely in the United States.

"They'll start using scare tactics," Emerson said of drug companies' arguments that imported drugs are not safe.

The Food and Drug Administration secretary and the Department of Health and Human Services secretaries under the Clinton and Bush administrations have opposed reimportation. They argue that testing and tracking standards in other countries could allow counterfeit or unsafe drugs to enter the United States.

Other opponents of the bill say that creating measures to monitor the quality of imported drugs would cost the same or more than the actual savings.

Donald Macarthur, the secretary general of the European Association of Euro-Pharmaceutical Companies, said cross-border pharmaceutical trade is strictly regulated in Europe.

"Sure, the process is expensive for our members," he said in an e-mail, "but it has been strictly observed by them for over 20 years, and as a result we have had zero quality or safety problems and zero counterfeits."

Whether the United States and Canada will have to work out similar arrangements is, at this point, largely up to Frist. His office did not return phone calls regarding his reasoning behind keeping the bill from the floor.