

Steven C. Anderson, IOM, CAE
President & Chief Executive Officer

November 6, 2009

The Honorable Louise McIntosh Slaughter
Chairwoman
Committee on Rules
U.S. House of Representatives
Washington, DC 20510

The Honorable David Dreier
Ranking Minority Member
Committee on Rules
U.S. House of Representatives
Washington, DC 20510

Subject: Opposition to Prescription Drug Importation Amendment to H.R.3962

Dear Chairwoman Slaughter and Ranking Member Dreier:

I am writing to express our concerns with an amendment by Representative Emerson (Amendment #41) that would authorize reimportation of prescription drugs from foreign countries. We understand the amendment has been submitted to the Rules Committee for consideration during debate on H.R. 3962, The Affordable Health Care for America Act. We urge the committee to reject the amendment and not permit its consideration on the House floor.

413 North Lee Street
Alexandria, Virginia
22314

NACDS shares the goal of reducing prescription drug costs and we know the sponsor of the amendment has the best of intentions in this regard. However, we do not believe that consumer safety can be ensured under a prescription drug importation system. In addition to concerns about the safety and effectiveness of imported drugs, individuals who obtain medications through personal importation are less likely to benefit from the professional services of their local licensed pharmacists. Since these individuals would obtain their drugs outside the normal domestic distribution channel, we fear they would lose access to qualified licensed pharmacists to consult with them about the safe and effective use of medications. With the huge costs associated with prescription drug non-adherence and misuse, it is more important than ever that health care policies foster relationships between patients and pharmacists.

NACDS also has serious safety and operational concerns about the commercial importation of pharmaceuticals, and related aspects of the amendment intended to support such a program. Pharmacies are committed to the safety and security of the U.S. drug distribution system, which is the safest in the world. Despite this, the amendment would authorize the Secretary of Health and Human Services (HHS) to mandate the use of unproven "track and trace" technologies that are costly and burdensome for the pharmacy industry and the healthcare system. At a time when efforts to reduce healthcare costs are underway, it makes little sense to impose a track and trace system that will add huge costs to prescription drug distribution. Moreover, implementation of this proposal would be complex, technically

(703) 549-3001

Fax (703) 836-4869

www.nacds.org

difficult and would require disruptive changes in the drug supply chain in a very short time period.

Finally, we are troubled that the amendment's website posting requirements would be applicable to legitimate state-licensed pharmacies. Requiring legitimate pharmacies that operate websites to publicly post information about their pharmacists will put these individuals' privacy at risk and increases the potential for identity theft. While this requirement will be burdensome, it will do little to stop illegal internet drug sellers. In fact, these bad actors may even misappropriate the identity of pharmacists from legitimate internet sites for their illicit activities.

Instead of pursuing importation as a way to reduce drug expenditures, we urge Congress to consider safe cost-saving alternatives such as wider integration of medication therapy management (MTM) and increased generic utilization. A report by the New England Healthcare Institute in July estimated that the overall cost of poor medication adherence, measured in otherwise avoidable medical spending, is as much as \$290 billion per year. MTM improves health outcomes and reduces costs by increasing medication adherence and reducing adverse events. We believe it is through personal services like MTM, provided by neighborhood pharmacists, that Americans will enjoy the full benefit of their prescribed therapy, saving money through reductions in hospitalizations and other health services. In addition, Congress should take strong steps to promote cost effective generic medications. Such steps include creating a pathway for generic biologics and establishing patient cost sharing and pharmacy reimbursement formulas that create incentives to prescribe and dispense generic drugs. These steps will help control prescription drug spending, while maintaining the integrity and safety of the domestic prescription drug distribution system.

We applaud Congress' efforts to reform our nation's healthcare system and are committed to working with you to advance policies that expand consumer access to safe and affordable prescription drugs. However, we do not believe that importation of prescription drugs is a sound policy for achieving these goals. If we can be of any assistance, please contact Paul T. Kelly, Vice President, Federal Government Affairs.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven C. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven C. Anderson, IOM, CAE
President and Chief Executive Officer

Cc: The Honorable Nancy Pelosi, Speaker of the House
The Honorable Henry Waxman, Chairman, Energy and Commerce Committee
The Honorable Joe Barton, Ranking Member, Energy and Commerce Committee