

**TASK FORCE ON DRUG IMPORTATION
Docket No. 2004N-0115**

**Testimony of
John Hoeven, Governor
State of North Dakota**

May 5, 2004

**Surgeon General Carmona, members of the task force,
thank you for the opportunity to join you today for this
important dialogue.**

**Prescription drugs play a larger role in health care than
ever before. To the extent they replace more costly medical
treatments, they can provide a less expensive and less intrusive
method of treating illness.**

**It is, in part, because of this increased importance of
prescription drugs that the issue of their availability and cost
has become a matter of significant national debate.**

On the federal level, this administration has added a prescription drug benefit to the Medicare program, a truly historic change for our nation's seniors. It is an addition I supported, both as a member of the National Governor's Association's task force on medicaid reform and as chairman of the NGA's Health and Human Services committee.

In our state governments, we struggle every day to see that the benefits of prescriptions drugs are extended to our citizens at prices they can afford to pay. We have looked at a variety of ways we might reduce their cost of prescription drugs.

In North Dakota, we have established a clearinghouse for the various discount programs offered by the pharmaceutical companies. We have established prior authorization of drugs within our medicaid program. As with most states, we take advantage of buying groups and rebates for our state institutions and public employees.

We have now begun the process of contracting pharmacies through the 340B program and will utilize the President's Health Center Initiative to the fullest in expanding our 340B participation. Each of these measures provides some relief, but their benefit is limited to certain, eligible populations.

In order to give the general public lower cost options when they purchase prescription drugs, we have added two features to our existing programs and have incorporated them into a website on the state's portal.

In the North Dakota Prescription Drug Guide, we first provide information about generic and therapeutic alternatives that people may consider in place of the brand name drug that they are currently using. By entering the name of the drug they are taking, people are directed to a table developed by the North Dakota Pharmaceutical Association that lists generic and therapeutic alternatives.

They may then take this list to their local pharmacist or physician to determine whether an alternative is appropriate for their use, given their medical history and circumstances.

This is our first and preferred option. It saves people the greatest amount of money and it permits them to continue to use their local pharmacist in coordinating their treatment.

We have noted the efforts of AARP to develop evidence-based research of the effectiveness of prescription drugs and provide it to the public to help them be wiser consumers. We applaud this effort and believe that this additional information will help people make informed choices of prescription drugs. It will go hand-in-hand with our effort to get people to talk with their prescribing physician about therapeutic alternatives.

Next, we refer people to the North Dakota Prescription Connection, which is a clearinghouse of discount programs, with counseling available to help people determine their eligibility and apply for applicable programs.

Finally, if these options do not work, we refer people to two Winnipeg pharmacies that have been examined and determined to provide safe and reliable service to our citizens.

Living in a border state, North Dakotans are familiar with Canadian towns and cities and are used to buying a variety of products there, including prescription drugs.

Current FDA policies and practices allow personal importation of drugs from Canada, but they do not allow the involvement of our local pharmacists. And so, many North Dakotans, and hundreds of thousands of Americans, buy drugs by mail-order or over the internet, but are prohibited from including their pharmacist in their treatment discussions.

This should be changed. Rather than focus on a partial prohibition of the practice of importing drugs from Canada, it would be more beneficial to the safety of patients if the FDA would work with Health Canada to reach agreement on the safe importation of prescription drugs.

The easiest way to do that would be for the FDA and Health Canada to accept each other's drug approval determinations. People in the United States trust the drug approval and pharmacy practice in Canada. By reaching such agreement, the regulatory agencies of each country could focus on drugs that truly present a safety concern.

Most importantly, approving such importation would allow our pharmacists to fully participate in patient care and allow our state regulators to license all pharmacies that provide drugs to our citizens, whether those pharmacies are in Manitoba or North Dakota.

I have urged Secretary Thompson to make the necessary certification before, and I bring the same message today. Help our citizens gain free and complete access to the lower cost drugs in Canada that have proven to be safe and reliable. Allow our pharmacists to be part of the treatment team.

Finally, we know that efforts are being made to constrict the Canadian supply of drugs in an attempt to stop importation. Such efforts should not be tolerated, and we support a non-discrimination policy requiring the maintenance of adequate supply. As a country, we should not be insulated from the world market, left to subsidize the lower cost of prescription drugs given to other countries.

Thank you for holding these discussions and for giving me the opportunity to participate. I would be glad to answer any questions you may have.