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May 31, 2017

Secretary Tom Price  
Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Price:

We respectfully urge you to utilize your existing statutory authority to address the soaring cost of pharmaceuticals by authorizing the importation of prescription drugs from Canada. The 108th Congress passed the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and it became Public Law 108-173 in December 2003.

**Under TITLE XI – Subtitle C – Importation of Prescription Drugs, Sec. 1121, there are the following provisions:**

**“(3) DRUGS IMPORTED FROM CANADA**

—In particular, the Secretary shall by regulation grant individuals a waiver to permit individuals to import into the United States a prescription drug that—

“(A) is imported from a licensed pharmacy for personal use by an individual, not for resale, in quantities that do not exceed a 90-day supply;

There is a further statute that states:

**“(b) REGULATIONS**

—The Secretary, after consultation with the United States Trade Representative and the Commissioner of Customs, shall promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States.

The law even includes:

**“(m) AUTHORIZATION OF APPROPRIATIONS**

—There are authorized to be appropriated such sums as are necessary to carry out this section.’

You possess the necessary authority to implement the importation of prescription drugs from Canada; in fact, HHS action is long past due.

By exercising the authority granted to you by Congress to sanction the importation of safe, lower priced prescription drugs from Canada, you would help relieve the hardships being caused to millions of Americans by unaffordable prescription drugs, resulting in an increase of disposable income for millions

of retirees and families and thus added purchases of U.S. products and services, which ultimately would increase jobs and U.S. tax revenue.

### **Broad Support for Drugs from Canada**

A May 1, 2017, press release from the Kaiser Family Foundation reported majorities of Democrats, Republicans and Independents support actions to lower prescription drug costs, including allowing Americans to buy drugs from Canada. Most say (72%) importing Canadian drugs would lower costs without affecting quality. The KFF survey was conducted April 17-23, 2017, among a nationally representative random digital dial telephone sample of 1,171 adults ages 18 and older, living in the United States, including Alaska and Hawaii.

### **Examples of Canada's Lower Prices**

The Wall Street Journal in a December 1, 2015 article reported that drug prices in the U.S. are shrouded in mystery, obscured by confidential rebates, multiple middlemen and the strict guarding of trade secrets. But for certain drugs—those paid for by Medicare Part B—prices are public. Here are a dozen examples from the study to show how much less the drug price is in Canada compared to the USA. (The package size/dose is the same.)

<b>Drug</b>	<b>Use</b>	<b>USA</b>	<b>Canada</b>	<b>Less</b>	<b>Lower</b>
Jevtana	Prostate Cancer	\$8,659	\$4,618	\$4,041	47%
Tysabri	Multiple Sclerosis	\$4,842	\$2,573	\$2,269	47%
Rituxan/Mab Thera	Rheumatoid Arthritis	\$3,678	\$1,820	\$1,858	51%
Cimzia	Crohn's Disease	\$2,357	\$1,058	\$1,299	55%
Eylea	Macular Degeneration	\$1,930	\$1,129	\$ 801	42%
Lucentis	Macular Degeneration	\$1,936	\$1,254	\$ 682	35%
Halaven	Breast Cancer	\$1,003	\$ 389	\$ 614	61%
Abraxane	Cancer	\$ 968	\$ 426	\$ 542	56%
Orencia	Rheumatoid Arthritis	\$ 881	\$ 390	\$ 491	56%
Herceptin	Breast Cancer	\$ 858	\$ 493	\$ 365	43%
Xolair	Asthma	\$ 852	\$ 487	\$ 365	43%
Erbix	Colorectal Cancer	\$ 527	\$ 278	\$ 249	47%

The need for importation arises in large part because U.S. drug companies sell into Canadian, European and other foreign markets where pricing is set (price setting) by socialized health care systems.

### **Points to Consider**

Drug Prices: It is redundant and wasteful to argue that drug prices are not out of control or that it is just life-saving high-price drugs that are rising much faster than the cost of living. Truly, drug companies are taunting and bullying Congress, HHS and all Americans. It is time for action - not more price study or slow rolling party politics.

Entitled by Law: Americans are entitled, by the law cited above, to your taking immediate action to allow them to not be restrained from purchasing prescription drugs under the terms of this law. They have a right to purchase from Canada FDA approved drugs made under the control of FDA quality standards and inspections.

The FDA: There is evidence that the FDA has been able to manage the border and international mail centers for drug quality, labeling and compliance with prescription authorizations and purchase quantities imported from Canada.

HHS/CMS: CMS is responsible for maintaining records of qualified Canadian pharmacies and distributors and can easily certify others with FDA help. Also, CMS can easily certify and register online providers and their Canadian registered sources. While there will always be those who try to work around or violate the law, not enabling and then enforcing it fosters a bigger problem for millions of purchasers and the American economy.

HHS and Your Office: There is no valid reason to prevent HHS from implementing importation from Canada. If HHS sees any, we would like to hear very cogent plans to break down all barriers to achieve the goal, not reasons why it can't be done today. You have our assurance that we will help in any way necessary.

**HHS Secretary Can Make a Difference**

Prescription Drug pricing is irrational and as Secretary of HHS you have the power to make a difference by permitting individuals, pharmacists and wholesalers to import prescription drugs from Canada into the United States. The price gouging of Americans for prescription drugs must be curtailed before drug costs become an even more critical burden on our U.S. economy and its ability to grow. There is a difference between drug price and cost at all levels and costs are not driving pricing, greed is.

We look forward to a prompt response for bringing relief to Americans struggling with the ever-rising cost of their medicines.

Sincerely,



Robert Roach, Jr., President  
Alliance of Retired Americans



William K. (Bill) Kadereit, President  
National Retiree Legislative Network