O Canada! : The Case for Drug Imports

By “Coach Vance” Trefethen

***Resolved: The United States Federal Government should significantly reform its import and/or export policy within the bounds of international trade***

This plan enacts the Affordable and Safe Prescription Drug Importation Act (a bill introduced in Congress but never enacted). It allows importation of prescription drugs, first from Canada and after 2 years (if it is proven successful) from other OECD countries. High prescription drug prices are literally killing people who can't afford life saving medicines they need. Drug companies are ripping off US consumers by charging way higher prices in the US than they charge in Canada and Europe for the very same drugs. This plan undercuts drug companies' pricing schemes by forcing competition from abroad to bring down prices.

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Small drug companies are the major innovators and they don’t react to revenue changes by cutting R&D 14

Drug companies won’t cut R&D with lower drug prices. They could cut marketing instead 14

Small drug companies are doing 60% of the research on new drugs today 14

Only 5-10% of R&D on new drugs actually add any meaningful value over existing drugs 15

AT “Problems with shortages and price controls” – Differences in price would be resolved in a free market and the final price would settle between the two. At which point, imports would no longer be needed 15

O Canada! : The Case for Prescription Drug Imports

The price of prescription drugs in this country is outrageously and unnecessarily high. That’s why my partner and I are affirming that the United States Federal Government should significantly reform its import and/or export policy within the bounds of international trade.

OBSERVATION 1. DEFINITIONS

Substantial

Merriam Webster Online Dictionary copyright 2022. <https://www.merriam-webster.com/dictionary/substantial> (accessed 5 Aug 2022)

**:**[IMPORTANT](https://www.merriam-webster.com/dictionary/important), [ESSENTIAL](https://www.merriam-webster.com/dictionary/essential)

Policy

Merriam Webster Online Dictionary copyright 2022. <https://www.merriam-webster.com/dictionary/policy> (accessed 10 May 2022)

a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body

OBSERVATION 2. INHERENCY, or the conditions of the Status Quo.

Current law greatly restricts imports of prescription drugs

Meredith Freed, Dr. Tricia Neuman and Dr. Juliette Cubanski 2021 (Freed is a Senior Policy Analyst with Kaiser Family Foundation (KFF) Program on Medicare Policy; master’s degree in Public Policy. Newman – PhD in health policy;  Executive Director of KFF’s Program on Medicare Policy. Cubanski – PhD in health policy;  Deputy Director of KFF’s Program on Medicare Policy ) 28 July 2021 “10 FAQs on Prescription Drug Importation” <https://www.kff.org/medicare/issue-brief/10-faqs-on-prescription-drug-importation/> (accessed 24 May 2022)

Current law allows for the importation of certain drugs from Canada under defined, limited circumstances, and only if the Secretary of the United States Department of Health and Human Services (HHS) certifies that importation poses no threat to the health and safety of the American public and will result in significant cost savings to the American consumer. In September 2020, the Trump Administration issued a [final rule](https://www.hhs.gov/sites/default/files/importation-final-rule.pdf) and [final FDA guidance](https://www.hhs.gov/sites/default/files/importation-guidance.pdf), creating two new pathways for the safe importation of drugs from Canada and other countries, and [then-HHS Secretary Alex Azar certified](https://www.safemedicines.org/2020/09/hhs-secretary-sent-congress-the-certification-to-allow-canadian-drug-importation.html) that importation of prescription drugs poses no risk to public health and safety and would result in significant cost savings. Soon after the rule was finalized, [PhRMA and other parties](https://www.phrma.org/-/media/Project/PhRMA/PhRMA-Org/PhRMA-Org/PDF/P-R/PhRMA-Commercial-Importation-Complaint.pdf) filed a lawsuit challenging the rule based on safety and other concerns. In May 2021, the Biden Administration [sought to dismiss](https://khn.org/wp-content/uploads/sites/2/2021/05/canadame.pdf)this lawsuit, arguing that plaintiffs cannot show the final rule or the certification by the HHS Secretary has harmed them. Because the FDA has not authorized any state importation plan under the final rule, and there is no timeline for authorization, the Administration asserts that “possible future injuries to Plaintiffs’ members are overly speculative and not imminent.” The federal court has not yet responded to the Administration’s motion to dismiss the lawsuit.

OBSERVATION 3. The HARM. High prescription drug prices hurt U.S. public health.

A. The Link: Unaffordable prescription drugs are a huge barrier to medical treatment compliance

Families USA 2019. (non-partisan health care advocacy group) May 2019 “How High Prescription Drug Costs Harm Families” <https://familiesusa.org/wp-content/uploads/2019/05/SILC_The-Problem-with-Rx-Drug-Pricing_Fact-Sheet_05172019.pdf> (accessed 25 May 2022)

High drug prices force families to make impossible choices between their health and other basic needs and drive up the cost of coverage for everyone » Nearly one in three adults have not taken a medicine as prescribed due to its costs. AND » Nearly one in three consumers facing increased drug costs spend less on groceries to account for the increase. » All insured families bear the cost of high and rising drug prices in their premiums. In fact, almost 25 percent of a health care consumer’s monthly premium goes to prescription drugs. Because high drug prices are a huge barrier to treatment compliance, family health suffers » Lack of medication adherence accounts for up to half of all treatment failures and one-quarter of hospital and nursing home admissions.

B. The Impact: Sickness and death. Higher prescription drug prices = poorer health and more deaths

Diane Archer 2021 (founder and former president of the Medicare Rights Center; currently serves on the Board of Consumer Reports and the Benedict Silverman Foundation. ) 10 Mar 2021 “The deadly consequences of out-of-pocket drug costs” <https://justcareusa.org/the-deadly-consequences-of-out-of-pocket-drug-costs/> (accessed 24 May 2022)

As you might expect, deductibles and copays keep people from filling their prescriptions. What you might not expect is that when costs rise on one prescription, people sometimes stop filling all of their prescriptions. Most people have little ability to rank order the value of their different prescriptions or to prioritize one prescription over another when they cannot afford them all. So, instead, they make random decisions about which ones to stop taking or decide to stop taking all of them. In short, while cost-sharing might reduce overuse of medicines, it also can lead to poor health outcomes and premature deaths.

OBSERVATION 4. The Plan, implemented by Congress and the President

1. Congress votes to enact S. 920, the Affordable and Safe Prescription Drug Importation Act, to remove barriers to the importation of prescription drugs.

2. Funding from general federal revenues and fees collected from companies to be certified to handle imports of pharmaceuticals.

3. Enforcement through the Secretary of Health & Human Services and any other necessary federal agencies. Importers not in compliance have their import authorization certification revoked, and those importing without certification are prosecuted under existing laws against drug importation.

4. Legislation is enacted 3 days after an Affirmative ballot. Regulations allowing the importation of qualifying prescription drugs from Canada are implemented 6 months later. Authorization for drugs from other countries that are members of the Organization for Economic Co-operation and Development is implemented 2 years after that.

5. All Affirmative speeches may clarify.

OBSERVATION 5. SOLVENCY. The plan works, as we see in 2 sub-points

A. Expanded imports. S.920 allows expanded imports of drugs with consumer protection safeguards

Congressional Research Service bill summary for S.920 the “Affordable and Safe Prescription Drug Importation Act” 2021. (CRS is a non-partisan research agency reporting to Congress) March 2021 <https://www.congress.gov/bill/117th-congress/senate-bill/920?overview=closed> (accessed 24 May 2022)

Current law allows the Department of Health and Human Services (HHS) to authorize the importation of certain eligible prescription drugs from Canada if HHS certifies to Congress that doing so would pose no additional risk to public health and safety and would result in significant cost savings for consumers. The bill removes this certification requirement and requires HHS to issue regulations that permit the importation of qualifying prescription drugs from Canada. After a certain amount of time, HHS may authorize importation from certain other countries if it determines that importation from Canada has resulted in cost savings for consumers and increased access to safe medication. The bill also expands the types of prescription drugs eligible for importation to include, for example, biologics such as insulin. Furthermore, the bill allows individuals to use an eligible licensed foreign pharmacy to fill a U.S.-issued prescription for a qualifying drug for personal use. Currently, an individual seeking to import a prescription drug generally must acquire a waiver from HHS.

B. Lower prices. Canada and other countries have the same prescription drugs for much lower prices

Report from the House Committee on Oversight & Reform 2017. (main investigative committee in the U.S. House of Representatives. It has authority to investigate the subjects within the Committee’s legislative jurisdiction as well as "any matter" within the jurisdiction of the other standing House Committees )“Affordable and Safe Prescription Drug Importation Act Introduced to Help Lower Skyrocketing Cost of Medicine” 28 Feb 2017 <https://oversight.house.gov/news/press-releases/affordable-and-safe-prescription-drug-importation-act-introduced-to-help-lower> (accessed 24 May 2022)

In Canada and other major countries, the same medications, manufactured by the same companies, in the same factories are available for a fraction of the price compared to the United States. In 2014, Americans spent $1,112 per person on prescription drugs while Canadians spent $772 and Danes spent $325. While five major drug manufacturers made more than $50 billion in profits in 2015, nearly 1 in 3 Americans could not afford the medicine they were prescribed at some point in their lives.

OBSERVATION 6. ADVANTAGES

ADVANTAGE 1. Cost savings

Congressional Budget Office estimates the plan would save $7 billion over the next decade and one to one and a half billion dollars every year after that

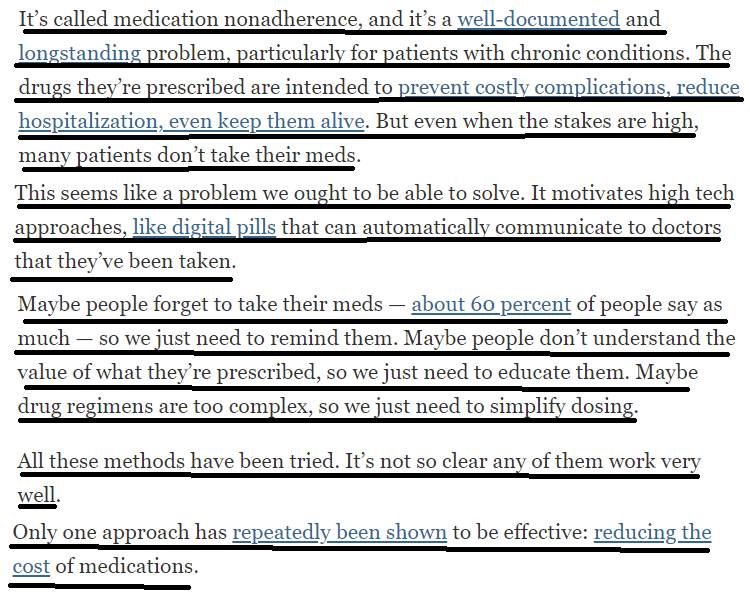
Committee for a Responsible Federal Budget 2017. (non-partisan, non-profit research organization) 1 Aug 2017 “CBO: Drug Importation Saves $1 Billion Per Year” <https://www.crfb.org/blogs/cbo-drug-importation-saves-1-billion-year> (accessed 24 May 2022)

Earlier this week, the Congressional Budget Office (CBO) [released an estimate](https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/s469preliminary.pdf) of the savings from Senate Budget Committee Ranking Member Bernie Sanders’s (I-VT) [legislation](https://www.sanders.senate.gov/download/drug-importation-bill-summary-and-background?id=1A6D27D0-577D-4525-A38E-B9942EB90D21&download=1&inline=file), the Affordable and Safe Prescription Drug Act. Designed to lower drug costs, the legislation would allow qualifying prescriptions to be imported from Food and Drug Administration (FDA) approved, licensed sellers from Canada. It would also create a process to get importation approved from licensees in other Organisation for Economic Co-operation and Development (OECD) countries. The bill, which has 19 additional co-sponsors and companion legislation introduced in the House of Representatives, would save about $7 billion over the next decade and $1 billion to $1.5 billion annually once fully implemented.

ADVANTAGE 2. Saving lives through medication compliance

Lower drug prices increase compliance with treatments people need to stay alive and healthy

Prof. Austin Frakt 2017. (Director of the Partnered Evidence-Based Policy Resource Center at the V.A. Boston Healthcare System; associate professor with Boston Univ. School of Public Health; adjunct associate professor with the Harvard T.H. Chan School of Public Health) 11 Dec 2017 “People Don’t Take Their Pills. Only One Thing Seems to Help” <https://portal.ct.gov/-/media/OHS/Healthcare-Cabinet/2017-Meetings/People-Dont-Take-Their-Pills_-Only-One-Thing-Seems-to-Help_---The-New-York-Times.mht> (accessed 28 May 2022)



2A Evidence: Prescription Drug Importation

DEFINITIONS & BACKGROUND

Text of the bill is here

https://www.congress.gov/bill/117th-congress/senate-bill/920/text

Good summary in plain terminology is here

Sen. Maria Cantwell (undated) (US Senator from Washington state) “The Affordable and Safe Prescription Drug Importation Act” <https://www.cantwell.senate.gov/imo/media/doc/Affordable%20and%20Safe%20Prescription%20Drug%20Importation%20Act%20summary.pdf> (accessed 24 May 2022)

INHERENCY

States want to import drugs from Canada but are blocked because the federal government won’t certify their plans

Meredith Freed, Dr. Tricia Neuman and Dr. Juliette Cubanski 2021 (Freed is a Senior Policy Analyst with Kaiser Family Foundation (KFF) Program on Medicare Policy; master’s degree in Public Policy. Newman – PhD in health policy;  Executive Director of KFF’s Program on Medicare Policy. Cubanski – PhD in health policy;  Deputy Director of KFF’s Program on Medicare Policy ) 28 July 2021 “10 FAQs on Prescription Drug Importation” <https://www.kff.org/medicare/issue-brief/10-faqs-on-prescription-drug-importation/> (accessed 24 May 2022)

[Some states have been actively pursuing legislative action to promote the importation of prescription drugs](https://nashp.org/rx-legislative-tracker/). Several states, including [Florida](https://www.flsenate.gov/Session/Bill/2019/19), [Vermont](https://legislature.vermont.gov/bill/status/2018/S.175), [Colorado](https://leg.colorado.gov/bills/sb19-005), [Maine](http://legislature.maine.gov/bills/display_ps.asp?snum=129&paper=SP0392&PID=1456), [New Mexico](https://www.nmlegis.gov/Legislation/Legislation?Chamber=S&LegType=B&LegNo=1&year=20), and [New Hampshire](http://gencourt.state.nh.us/bill_status/Results.aspx?q=1&txtbillnumber=HB1280&txtsessionyear=2020) have enacted laws establishing importation programs for prescription drugs from Canada. In order for any importation plan to go into effect, the HHS Secretary must certify that it meets the safety and cost saving requirements set forth in Section 804 of the FD&C Act. Under each state’s respective laws to establish an importation program, they are required to submit a proposal to HHS to demonstrate how its program will meet those safety and cost saving requirements. Thus far, no state plan has been certified.

HARMS / SIGNIFICANCE

US has more expensive drugs than other countries: multiple examples

Jessica Glenza 2018 (journalist) 1 Mar 2018 “States consider bringing prescription drugs from Canada to US as costs soar” THE GUARDIAN <https://www.theguardian.com/us-news/2018/mar/01/prescription-drugs-costs-us-import-canada> (accessed 25 May 2022)

One of those hepatitis C drugs, called Sovaldi, is a good example of how prices can vary between countries. In the US, a course of Sovaldi lasts 12 weeks and costs $90,000 US retail. American insurers typically negotiate a discount of 41%, according to a [Bloomberg News analysis](https://www.bloomberg.com/graphics/2015-drug-prices/). That puts the cost of the drug at $17,700 a month in the US. But in the United Kingdom, that drug costs $16,770 a month, and in [Canada](https://www.theguardian.com/world/canada) $14,493. For an even more dramatic example, consider Gleevec, a leukemia drug. It costs $10,122 in the US, $2,645 in the UK, and $2,420 in Canada. “Our Medicaid drug prices, particularly for specialty drugs, are way over the top,” said Lyons. “So, we’re trying to identify those drugs where the cost has escalated in the past few years, or the payment per dose is very high as compared with Canada.” The United States has the most expensive health system in the world; Americans pay on average three times more than British people for [top-selling prescription drugs](https://www.scientificamerican.com/article/how-the-u-s-pays-3-times-more-for-drugs/).

US prescription drug prices are high and rising quickly

Dr. Marc E. Babitz, M.D. 2018 (Deputy Director Utah Department of Health) (article is undated but references events that took place in 2018) Feasibility of Canadian Drug Importation to lower prescriptions costs for Utahns A Report for the Utah State Legislature/Health Reform Task Force <https://health.utah.gov/wp-content/uploads/CanadianDrugImportation.pdf> (accessed 5 June 2022)

The cost of prescription medications has been a concern for patients, health care institutions, and health insurance companies for many years. Over the past ten years, we have seen double-digit inflation in the cost of prescription drugs. The drivers for these cost increases are multiple and include the development of new, usually expensive, drugs for treating conditions that were not treatable in the past (e.g., Hepatitis C, certain cancers) and may impact a large number of patients, as well as unexplained major price increases for both brand name and generic drugs by their manufacturers.

SOLVENCY

Florida: Everything is in place, we just need the federal government to approve imports from Canada

Associated Press 2021 (journalist Kelli Kennedy) 18 May 2021 “Florida urges US to import less expensive Canadian drugs” <https://apnews.com/article/lifestyle-donald-trump-canada-florida-business-2badc4d292393e3393e212476a6de018> (accessed 24 May 2022)

Florida’s Agency for Healthcare Administration has been working with the federal government to meet all its requirements for the importation and maintains the state is the first to have done so. The state has also lined up contractors who they say are poised to act swiftly if the program is approved and could fill shelves with Canadian drugs in as few as 90 days. DeSantis held his news conference Friday at a medicine warehouse built by LifeScience Logistics in central Florida for the importation program.

Example: Medications for Multiple Sclerosis (MS) would cost substantially less if we bought them from Canada

Center for Health Care Research & Transformation 2017 (Based at the University of Michigan, CHRT is a non-profit partnership between U-M and Blue Cross Blue Shield of Michigan to promote evidence-based care delivery, improve population health, and expand access to care) Dec 2017 “Rising Cost of Specialty Drugs in Michigan and the United States: A Case Example for Multiple Sclerosis” <https://chrt.sites.uofmhosting.net/wp-content/uploads/2017/12/CT17150_Specialty-Drug-v4-.pdf> (accessed 28 May 2022)

Buying medications from a certified Canadian pharmacy could save Americans between 20 percent to 80 percent on brand name drugs. In fact, MS drugs Copaxone and Tecfidera cost significantly less in Canada: Copaxone has an annual cost of approximately $15,000 in Canada, roughly one-fourth of its cost in the United States, and Tecfidera has an annual cost of $21,510 in Canada, less than half its cost in the United States.

States that want to import cheaper drugs would save millions every year

Meredith Freed, Dr. Tricia Neuman and Dr. Juliette Cubanski 2021 (Freed is a Senior Policy Analyst with Kaiser Family Foundation (KFF) Program on Medicare Policy; master’s degree in Public Policy. Newman – PhD in health policy;  Executive Director of KFF’s Program on Medicare Policy. Cubanski – PhD in health policy;  Deputy Director of KFF’s Program on Medicare Policy ) 28 July 2021 “10 FAQs on Prescription Drug Importation” <https://www.kff.org/medicare/issue-brief/10-faqs-on-prescription-drug-importation/> (accessed 24 May 2022) (state funded prescription costs are for things state governments pay for, like Medicaid and state prisoners)

In [June 2020](https://www.flgov.com/2020/09/25/governor-ron-desantis-applauds-trump-administration-actions-to-lower-the-cost-of-prescription-drugs/), Florida’s AHCA released an “Invitation to Negotiate” for the state’s vendor bid system, for assistance with implementation of the importation program, and in December 2020, the AHCA [contracted with a vendor to administer the importation program](https://khn.org/wp-content/uploads/sites/2/2021/01/MED214_CPDIP_New-Contract_12.29.2020_Redacted.pdf). The governor of Florida [has called on the Biden Administration](https://www.flgov.com/2021/05/28/governor-ron-desantis-calls-on-biden-administration-to-approve-floridas-canadian-prescription-drug-importation-program/) to approve the state’s plan, citing projections that it could “potentially save the state between $80 to $150 million in the first year alone.”

Funding defined in S.920: Fees determined by the Secretary of Health & Human Services to be certified as an authorized importer of prescription drugs

Text of S.920 in 2021. <https://www.congress.gov/bill/117th-congress/senate-bill/920/text> (accessed 25 May 2022)

“(C) CERTIFICATION FEE.—Not later than 30 days before the start of each fiscal year, the Secretary shall establish a fee to be collected from foreign sellers for such fiscal year that are certified under subparagraph (B), in an amount that is sufficient, and not more than necessary, to pay the costs of administering the program under this section, and enforcing this section pursuant to section 303(h), for that fiscal year.

38 Countries that are members of OECD

OECD official web site 2021. “OECD welcomes Costa Rica as its 38th Member” 25 May 2021 <https://www.oecd.org/newsroom/oecd-welcomes-costa-rica-as-its-38th-member.htm#:~:text=The%20OECD's%2038%20members%20are,Norway%2C%20Poland%2C%20Portugal%2C%20Slovak> (accessed 25 May 2022)

The OECD’s 38 members are: Austria, Australia, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

DISADVANTAGE RESPONSES

A/T “Safety problems” – Canada has the same level of safety for drugs as we do

Associated Press 2021 (journalist Kelli Kennedy) 18 May 2021 “Florida urges US to import less expensive Canadian drugs” <https://apnews.com/article/lifestyle-donald-trump-canada-florida-business-2badc4d292393e3393e212476a6de018> (accessed 24 May 2022)

That same month, the Pharmaceutical Research and Manufacturers of America and several other lobbying groups filed litigation against federal health officials challenging the new rule, accusing the federal government of punting the responsibility for demonstrating safety and cost savings to state governments. The governor [of Florida, Ron DeSantis] dismissed such criticism. “If we were trying to bring in drugs from some country that wasn’t reputable, I wouldn’t want to go down that road either, but Canada has the same drugs,” he said. “They have very similar protocols and then we obviously would have our process to ensure quality.”

A/T “Safety problems from other countries besides Canada” – S.902 requires high standards

Text of S.920 in 2021. <https://www.congress.gov/bill/117th-congress/senate-bill/920/text> (accessed 25 May 2022)

“(e) Importation From Other Countries.—Beginning on the date that is 2 years after the date on which final regulations are promulgated to carry out this section, if, based on a review of the evidence obtained after such effective date, including the reports submitted under section 2(d) of the Affordable and Safe Prescription Drug Importation Act, that importation of qualifying prescription drugs from Canada under this section resulted in cost savings for consumers in the United States and increased access to safe medication, the Secretary shall have the authority to permit importation of qualifying prescription drugs by importers and individuals from, in addition to Canada, any country that—  
“(1) is a member of the Organisation for Economic Co-operation and Development; and  
“(2) has statutory or regulatory standards for the approval and sale of prescription drugs that are comparable to the standards in the United States and that—  
“(A) authorizes the approval of drugs only if a drug has been determined to be safe and effective by experts employed by or acting on behalf of a governmental entity and qualified by scientific training and experience to evaluate the safety and effectiveness of drugs;  
“(B) requires that any determination of safety and effectiveness described in subparagraph (A) be made on the basis of adequate and well-controlled investigations, including clinical investigations, as appropriate, conducted by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs;

“(C) requires the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of drugs in the country to be adequate to preserve the identity, quality, purity, and strength of the drugs; and

“(D) requires the reporting of adverse reactions to drugs and establish procedures to recall, and withdraw approval of, drugs found not to be safe or effective.

A/T "Safety risk" - Risk is low, and outweighed by the risk of not taking medication because you can't afford it

Caleb Scheckel & S. Vincent Rajkumar 2021 (Schekel and Rajkumar are both with the Division of Hematology, Department of Medicine, Mayo Clinic.) BLOOD CANCER JOURNAL " Drug importation: limitations of current proposals and opportunities for improvement" <https://www.nature.com/articles/s41408-021-00522-3> (accessed 5 June 2022)

The American Medical Association (AMA) and the Association of American Retired Persons (AARP), along with other organizations, recognize the strong public sentiment on the topic of drug affordability and have expressed support for policies that would provide for importation of lower-cost drugs for personal use in a way that ensures drug safety and integrity. These organizations recognize that the FDA lacks the power to oversee another country’s distribution systems, and therefore cannot fully guard against the re-importation of counterfeit, expired, contaminated, or drugs stored under unsafe conditions. Recent examples of counterfeit therapies distributed through misleading online pharmacies exist. However, these risks must be contrasted with the risks associated with consumers not taking prescribed medicines simply because they are unaffordable. Notably, the FDA has expressed confidence in Health Canada, the Canadian agency tasked with ensuring the integrity of pharmaceutical manufacturing, importation, and distribution, with regards to providing effective oversight for drugs approved for Canadian patients.

A/T “Safety risk” – Drug companies have no incentive to kill their customers, and there’s no problem importing from Canada

Dr. Jeffrey Miron 2017. (PhD economics; vice president for research at the Cato Institute and the director of graduate and undergraduate studies in the Department of Economics at Harvard University ) 26 June 2017 “Wrong: Cheap Canadian Drugs Won’t Heighten Opioid Crisis” <https://www.cato.org/commentary/wrong-cheap-canadian-drugs-wont-heighten-opioid-crisis> (accessed 28 May 2022)

The safety concern is easy to dismiss. Innumerable goods flow across the U.S.-Canada border every day, with little evidence of unsafe imports. U.S. consumers and their doctors have ample incentive to order from reputable Canadian suppliers, who in turn have no incentive to kill off their paying customers. Canadian drugs already flow across the border to some degree, with minimal examples of adverse consequences.

A/T “Opioid crisis” – Canadian drugs won’t affect the opioid abuse crisis in the U.S.

Dr. Jeffrey Miron 2017. (PhD economics; vice president for research at the Cato Institute and the director of graduate and undergraduate studies in the Department of Economics at Harvard University ) 26 June 2017 “Wrong: Cheap Canadian Drugs Won’t Heighten Opioid Crisis” <https://www.cato.org/commentary/wrong-cheap-canadian-drugs-wont-heighten-opioid-crisis> (accessed 28 May 2022)

The fear that importation will exacerbate the U.S. opioid crisis is also misplaced. Prescription opioids are already widely available and usually inexpensive; despite concern over the increasing opioid death rate in the U.S., many doctors still prescribe opioids routinely. And most of the increase in opioid‐​related deaths over the past six years [has involved](http://www.businessinsider.com/opioid-overdose-death-statistics-2017-2016) heroin and fentanyl rather than prescription opioids; these substances are already outlawed or tightly controlled, both in the U.S. and Canada.

A/T “Foreign drugs are more dangerous” – Non-unique. 80% of drugs today are manufactured elsewhere

Dr Margaret Hamburg 2014. (Commissioner of the US Food & Drug Administration) 20 Feb 2014 “The Safety Of Prescription Drugs Made Outside The U.S.”https://dianerehm.org/shows/2014-02-20/safety-prescription-drugs-made-outside-us (accessed 25 May 2022)

It is certainly the case that in antibiotics and in other important medications, that active pharmaceutical ingredients' components are coming from other countries. And I mentioned the number of 80 percent overall coming in from other countries, China and India being major suppliers of these active pharmaceutical ingredients.

A/T “Reduced drug innovation” – Other countries with far lower prices have greater drug innovation

Gabriela Gutierrez and Thomas Waldrop 2021. (G*utierrez - intern for the Health Policy team at the Center for American Progress (CAP) and student at Univ of Richmond. Waldrop - policy analyst for Health Policy at CAP*) 17 Sept 2021 “Prescription Drugs Can Be Affordable and Innovative” <https://www.americanprogress.org/article/prescription-drugs-can-affordable-innovative/> (accessed 28 May 2022)

Patients in the United States pay exorbitant prices for prescription drugs. U.S. prices [for prescription drugs are 256 percent](https://www.rand.org/pubs/research_reports/RR2956.html) of those in other industrialized countries—the highest prices in the world for the same drugs. The pharmaceutical industry argues that [Americans directly](https://khn.org/news/pharmas-take-on-the-pelosi-drug-pricing-bill-fair-warning-or-fearmongering/) benefit from low pricing regulations because this facilitates access to new drugs and that lower prices will reduce patient access to drugs. [Expert analysis shows](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2866602/) that other countries with meaningful drug pricing regulations actually have proportionally greater pharmaceutical innovation than the United States.

A/T “Reduced drug industry R&D” – The lower prices other countries pay more than cover R&D costs

Diane Archer 2017 (founder and former president of the Medicare Rights Center; currently serves on the Board of Consumer Reports and the Benedict Silverman Foundation) “High drug prices in U.S. unrelated to lower prices abroad” 1 Aug 2017 <https://justcareusa.org/high-drug-prices-in-u-s-unrelated-to-lower-prices-abroad/> (accessed 28 May 2022)

Like the U.S., other developed countries pay a price for drugs that covers research and development costs, manufacturing, marketing, and overhead costs, as well as a reasonable profit. Indeed, these countries pay 30-50 times the cost of manufacturing a drug, which is generally tiny. It’s just that they pay less than we do.

A/T “Reduced drug industry R&D” – West Health & Johns Hopkins study: No reduction in research investment even with substantially lower drug prices

Dr. Gregory Vaughan and Dr Fred Ledley 2021 (Vaughan – PhD; is assistant professor, Department of Mathematical Sciences at Bentley Univ. Ledley – MD; is professor, Natural & Applied Sciences and Management, and director,Center for Integration of Science and Industry at Bentley Univ) “Will Reducing Drug Prices Slow Innovation?” (accessed 24 May 2022) (article is undated but referenced material published in April 2021) (ellipses in original) <https://uploads-ssl.webflow.com/5e59d7f99e288f91abe20b9f/6113d44897d71d1583ef998a_Bentley.pdf>

A 2019 white paper from the West Health Policy Center and Johns Hopkins Bloomberg School of Public Health examined the profitability of a set of 23 large pharmaceutical companies, measured by return on invested capital (ROIC), from 2011-2019 compared to companies in other industrial sectors. The analysis concluded that large pharmaceutical companies had significantly higher ROIC than companies and other sectors, and that “…large pharmaceutical manufacturers could endure significant revenue reductions, including the reductions considered in recent legislative proposals, while maintaining current research investments and still achieve the highest returns of any market sector.” They concluded that capital investments by large pharmaceutical companies would remain more attractive than alternative investments despite substantial reductions in drug prices and the associated revenue. They concluded that “While we recognize that any reduction in revenues will change a company’s operational strategy, we find that large pharmaceutical companies would still maintain industry-leading returns on capital.”

A/T “Reduced R&D” – No pharmaceutical company will cut back on research if Americans pay European or Canadian prices

Prof. Donald W. Light 2017 (professor of psychiatry and comparative health policy at the Rowan University School of Osteopathic Medicine) 2 June 2017 “Debunking The Pharmaceutical Research ‘Free Rider’ Myth: A response To Yu, Helms, And Bach” <https://www.healthaffairs.org/do/10.1377/forefront.20170602.060376> (accessed 28 May 2022)

When pharmaceutical companies threaten that they will cut back on research if Americans pay European or Canadian prices, it’s a kind of economic blackmail: Pay our excess US prices, or your families will suffer from cutbacks on research for new cures. President Donald Trump and his team should call this bluff, because no research-based industry will cut back on the source of their own future revenues. The drug industry could much more easily cut back on marketing costs, which are [two to three times greater](http://nurses.3cdn.net/e74ab9a3e937fe5646_afm6bh0u9.pdf) than reported research costs before taxpayers’ subsidies.

A/T “Reduced drug industry R&D” – Past studies claiming that were flawed because they only looked at the biggest companies, not the small startups

Dr. Gregory Vaughan and Dr Fred Ledley 2021 (Vaughan – PhD; is assistant professor, Department of Mathematical Sciences at Bentley Univ. Ledley – MD; is professor, Natural & Applied Sciences and Management, and director,Center for Integration of Science and Industry at Bentley Univ) “Will Reducing Drug Prices Slow Innovation?” (accessed 24 May 2022) (article is undated but referenced material published in April 2021) (ellipses in original) <https://uploads-ssl.webflow.com/5e59d7f99e288f91abe20b9f/6113d44897d71d1583ef998a_Bentley.pdf>

Previous studies have erred by considering only the impact of price reductions on the largest pharmaceutical companies. The finances of small biotechnology companies are dramatically different from those of established firms.A recent study examined the financial performance and late-stage product development pipelines of the 319 biotechnology companies that had Initial Public Offerings (IPOs) on NASDAQ from 1997-2016. This cohort of emerging, public biotechnology companies reported sustained R&D spending throughout the study period and contributed to the late-stage development of 144 new products, including 78 New Molecular Entities (NMEs) and 34 first-in-class drugs, despite also reporting little revenue and consistently negative earnings. Nevertheless, these companies achieved growth of market capitalization and shareholder value similar to that of a matched set of non-biotechnology companies with concurrent IPO dates. The strategic role of R&D spending in small biotechnology companies is often different than in larger companies. Many early and emerging biopharmaceutical companies have a science-based business model, where the return on investment is predicated on increasing the value of its intellectual property and a variety of potential applications,rather than the projected returns from a specific product with a delimited market. Moreover, many companies are founded explicitly to advance a specific technology or cure for a particular disease entity, and allocate their R&D spending to maximize these opportunities.Thus, the relationship between revenue and R&D spending may not be the same in emerging, small public biotechnology companies as in large, established pharmaceutical companies.

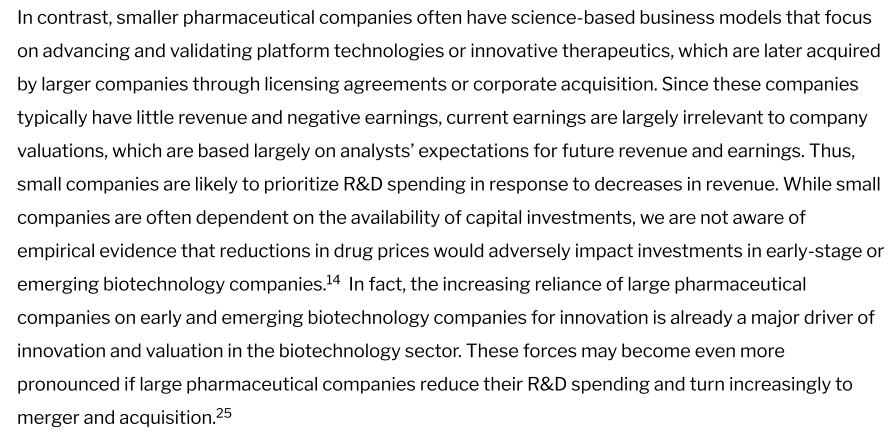
A/T “Reduced drug industry R&D” – Bentley Study: Large pharmaceutical companies have plenty of room to accept reduced revenues without compromising their profits and their R&D efforts

Dr. Gregory Vaughan and Dr Fred Ledley 2021 (Vaughan – PhD; is assistant professor, Department of Mathematical Sciences at Bentley Univ. Ledley – MD; is professor, Natural & Applied Sciences and Management, and director,Center for Integration of Science and Industry at Bentley Univ) “Will Reducing Drug Prices Slow Innovation?” (accessed 24 May 2022) (article is undated but referenced material published in April 2021) <https://uploads-ssl.webflow.com/5e59d7f99e288f91abe20b9f/6113d44897d71d1583ef998a_Bentley.pdf>

Analogous results were described in a 2020 study from the Center for Integration of Science and Industry at Bentley University. This study demonstrated that the profits of 35 large pharmaceutical companies, measured by net income (earnings), were significantly larger than those of other companies in the S&P500 from 2000-2018, though the difference was partly accounted for by controlling for company size, year, and involvement in R&D. This study also highlighted the scale of pharmaceutical revenue, profit, and spending, showing that from 2010-2018, these companies reported cumulative revenue of $11.5 trillion and net income of $1.9 trillion, while expensing $1.8 trillion for R&D and distributing $1.8 trillion to shareholders in the form of dividends or stock buybacks. This study showed that large pharmaceutical companies have the capacity to absorb substantial reductions in revenue without compromising the resources necessary to sustain R&D and earnings comparable to other leading industrial sectors.

Small drug companies are the major innovators and they don’t react to revenue changes by cutting R&D

Dr. Gregory Vaughan and Dr Fred Ledley 2021 (Vaughan – PhD; is assistant professor, Department of Mathematical Sciences at Bentley Univ. Ledley – MD; is professor, Natural & Applied Sciences and Management, and director,Center for Integration of Science and Industry at Bentley Univ) “Will Reducing Drug Prices Slow Innovation?” (accessed 24 May 2022) (article is undated but referenced material published in April 2021) <https://uploads-sl.webflow.com/5e59d7f99e288f91abe20b9f/6113d44897d71d1583ef998a_Bentley.pdf>



Drug companies won’t cut R&D with lower drug prices. They could cut marketing instead

Diane Archer 2017 (founder and former president of the Medicare Rights Center; currently serves on the Board of Consumer Reports and the Benedict Silverman Foundation) “High drug prices in U.S. unrelated to lower prices abroad” 1 Aug 2017 <https://justcareusa.org/high-drug-prices-in-u-s-unrelated-to-lower-prices-abroad/> (accessed 28 May 2022)

If drug prices in the U.S. were lower, pharmaceutical companies are not going to cut back on investing in research, when it is the way they make money. They could more easily cut back on marketing costs, which are two or three times greater than research costs.

Small drug companies are doing 60% of the research on new drugs today

Dr. Gregory Vaughan and Dr Fred Ledley 2021 (Vaughan – PhD; is assistant professor, Department of Mathematical Sciences at Bentley Univ. Ledley – MD; is professor, Natural & Applied Sciences and Management, and director,Center for Integration of Science and Industry at Bentley Univ) “Will Reducing Drug Prices Slow Innovation?” (accessed 24 May 2022) (article is undated but referenced material published in April 2021) (ellipses in original) <https://uploads-ssl.webflow.com/5e59d7f99e288f91abe20b9f/6113d44897d71d1583ef998a_Bentley.pdf>



Only 5-10% of R&D on new drugs actually add any meaningful value over existing drugs

Diane Archer 2017 (founder and former president of the Medicare Rights Center; currently serves on the Board of Consumer Reports and the Benedict Silverman Foundation) “High drug prices in U.S. unrelated to lower prices abroad” 1 Aug 2017 <https://justcareusa.org/high-drug-prices-in-u-s-unrelated-to-lower-prices-abroad/> (accessed 28 May 2022)

Furthermore, pharmaceutical company research should be understood for what it is–largely a way for companies to make profits, through variants of drugs already on the market.  Most of drug company research does not add value. [Only about five-10 percent of all pharmaceutical company research on new drugs has any meaningful value](http://www.pharmamyths.net/files/BMJ-Innova_ARTICLE_8-11-12.pdf)over drugs already on the market.

A/T "Lack of R&D on life-saving new drugs" - Non unique. They're already not researching life-saving drugs

Rena Conti, Richard G. Frank and Jonathan Gruber 2021 ([Conti](https://www.brookings.edu/author/rena-conti/) - Associate Professor, Markets, Public Policy, and Law – Questrom School of Business, Boston Univ. Frank - Director – USC-Brookings Schaeffer Initiative for Health Policy and Brooking Institution Senior Fellow – Economic Studies. Gruber - professor of economics at the Massachusetts Institute of Technology) 15 Nov 2021 " **Addressing the trade-off between lower drug prices and incentives for pharmaceutical innovation"**https://www.brookings.edu/essay/addressing-the-trade-off-between-lower-drug-prices-and-incentives-for-pharmaceutical-innovation/ (accessed 5 June 2022)

Beyond its high costs, the pharmaceutical industry underachieves in its response to social needs. New products commonly fail to tackle some important illnesses that threaten human health and family economic stability. For example, there are few, if any, products in the pipeline to address anti-microbial resistance, tuberculosis, and opioid dependency despite the significant unmet need and disease burden. In contrast, many new products are new versions of existing products that offer modest changes to the incumbent drug. To provide a relative magnitude of the losses associated with the lack of treatment options for these conditions alone, consider that nearly [700,000 deaths per year](https://www.who.int/news/item/29-04-2019-new-report-calls-for-urgent-action-to-avert-antimicrobial-resistance-crisis) worldwide are attributed to anti-microbial [resistance](https://www.who.int/news/item/29-04-2019-new-report-calls-for-urgent-action-to-avert-antimicrobial-resistance-crisis), with a potential annual loss of up to [$3.4 trillion by 2030](https://www.worldbank.org/en/topic/health/publication/drug-resistant-infections-a-threat-to-our-economic-future). In a post-anti-microbial era, today’s routine medical and surgical procedures would become a game of Russian roulette. Yet, there is little private investment in addressing the problem of anti-microbial resistance. Current incentives to support new medicines to combat anti-microbial resistance are inadequate to ameliorate these [challenges](https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2021.00688), despite some investment by private and public payers. As another example, current incentives to support the development of an effective HIV vaccine are also inadequate, despite promising candidates developed by some innovators and clear unmet [need](https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00646). There are other examples, such as no drug [ever having been approved in the U.S. to prevent lung cancer and only six drugs ever approved to prevent any type of cancer](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4557975/), despite cancer being the leading cause of death in the U.S. currently.

AT “Problems with shortages and price controls” – Differences in price would be resolved in a free market and the final price would settle between the two. At which point, imports would no longer be needed

Dr. Jeffrey Miron 2004. (PhD economics; vice president for research at the Cato Institute and the director of graduate and undergraduate studies in the Department of Economics at Harvard University) 4May2004” This Is Your Senate on Drugs”https://www.cato.org/commentary/senate-drugs (accessed 28 May 2022)

Burdened as America’s medical market is with regulations and cost controls, it’s still relatively free compared to the socialized systems abroad. As a result, American companies, which today do most of the world’s drug R&D, recoup most of their costs in the domestic market, then sell abroad to foreign governments at prices far below true costs. Foreigners are thus classic “free riders.” As with defense, Americans are underwriting a good part of the health‐​care costs of the rest of the world, and they don’t like it.But defenders of the ban contend that if we remove it and allow Americans to reimport those below‐​cost drugs, we’d be reimporting foreign price controls. And that would destroy the domestic pricing structure that underwrites future R&D.Not so fast. If the ban were lifted, and the market were allowed to take its course, companies would clearly have to change their pricing strategies. Otherwise, reimported below‐​cost drugs would indeed lead to massive aggregate losses. Thus, in a free market, companies would adjust prices on both sides sufficiently to discourage reimportation. (And that would solve the drug safety issue in a flash, an obsession of the Senate bill.)