



Protecting Your Retirement / Securing Your Benefits

April 14, 2004

Food and Drug Administration, Department of Human Services
Public Hearing at the National Institutes of Health
Regarding: Prescription Drug Importation

**Testimony of Charles G. Hardin, President
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Thank you for the opportunity to testify on behalf of the nonprofit, nonpartisan Council for Government Reform (CGR), RetireSafe.org, and our more than 280,000 senior and near-senior supporters nationwide, on the critical issue of prescription drug importation. Founded in 1991, CGR, and its grassroots project, RetireSafe.org, is dedicated to protecting the retirement security of Americans of all ages. I am also pleased to speak on behalf of our colleagues at the 60 Plus Association, a national, nonpartisan seniors group whose mission is to uphold fair and equal treatment of America's seniors. They have asked that I convey their support for my remarks. This is an important issue for the nation, and a vital subject for today's hearing.

I would first commend the Food and Drug Administration (FDA) for its efforts to protect all Americans from the many dangers of imported prescription drugs, and for its continued work to uphold the law. The fact that we have not yet been overwhelmed by counterfeit, weakened, damaged, expired, or adulterated prescription drugs is due mainly to the FDA's dedication to our safety.

The prospect of an unregulated and potentially unsafe influx of prescription drugs from abroad is frightening. We all remember the Tylenol scare of the 1980s when seven people lost their lives because unscrupulous individuals tainted the nation's supply of the popular drug. Little did we know then that it was just the tip of the iceberg.

The World Health Organization estimates that roughly 6 to 8 percent of the world drug supply is counterfeit. That percentage increases to about 30 percent in India, nearly 50 percent in Pakistan, and 80 percent in parts of Africa. The power of the Internet has brought these drug counterfeiters to our doorsteps.

It is a matter of record that neither the FDA nor the Canadian authorities can certify that drugs imported or reimported from Canada into the United States are safe for use. The Canadians have a fine record of drug safety, but that only applies to drugs manufactured, distributed, and sold to Canadians. Health Canada is not policing those who sell drugs via the Internet to Americans.

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On the grounds of safety alone, we strongly oppose any attempt to import or reimport foreign drugs into the United States. It's like playing Russian roulette with the health of Americans – especially our senior population.

America has the finest and most innovative drugs in the world available today. We also are very fortunate to have the world's best health care system, and one of the world's highest standards of living. We must not put those standards at risk.

The U.S. is responsible for more than half of the world's drug development. Price controls, either home grown or imported, will greatly harm that drug research. Many of today's seniors suffered from childhood ailments like whooping cough and diphtheria. Thanks in part to America's drug development pipeline those words are no longer in the vocabulary of our children and their doctors.

The best solutions are often found at home. The rising cost of prescription drugs is no different – and the solution is quite simple. As RetireSafe.org's landmark 2003 Rx Challenge survey showed, Americans can save hundreds – even thousands – of dollars a year by simply acting as good consumers and shopping around for their prescription drugs. Conducted during the summer of 2003, the Rx Challenge proved that the retail prices of commonly prescribed prescription drugs varied by hundreds of percent from pharmacy to pharmacy in the same city. With no more effort than just making a few calls, the study found consumers in Virginia, for example, could save as much as 53 percent on brand name drugs. Certain generic prescriptions varied up to 559 percent. The Rx Challenge proved prescription drug purchasers don't have to cross the border for discounts, in most cases they only have to go across town. Further information on this survey can be found on our website, www.RetireSafe.org.

There are many other ways for consumers to save in their hometowns, including drug assistance programs and samples from your doctor. Virtually every major pharmaceutical company has a discount card or an assistance program. Insurance will often pay all or most of the cost; and doctors and pharmacists will certainly try to help when asked. Going online is not an answer, unless Russian roulette is your favorite sport. You may find a deal but lose your life in the process!

Finally, there is the great new prescription drug benefit option for Medicare beneficiaries that the President signed into law in December. For the first time tens of millions of seniors will have prescription drug coverage. Beginning in June, seniors will have the option of enrolling in a privately-provided discount program designed to save them as much of 25% off the cost of their individual prescriptions. They not only deserve this new coverage, but they also deserve the world's best prescription drugs; the drugs developed, manufactured, distributed, and sold in America.

On behalf of the Council for Government Reform, RetireSafe.org and the 60 Plus Association, I thank you for the FDA's continued opposition to the importation or reimportation of prescription drugs.