

Reprint # 39-05

Drug Reimportation Survey Results

By John Mack

“Show me the dead Canadians. Where are the dead Canadians?”

-- Republican Minnesota Gov. Tim Pawlenty

Minnesota, as well as other states, have established Web sites helping their citizens find Canadian pharmacies deemed reputable and safe by state officials.

In 2002, the American people imported about \$1.1 Billion worth of drugs from Canada. It's a growing and real concern for the pharmaceutical industry. To add to the industry's woes, Congress is considering several bills that seek to make drug importation from Canada legal (see article, "Congress Fiddles While Reimportation Issue Burns," PMN Reprint 38-02).

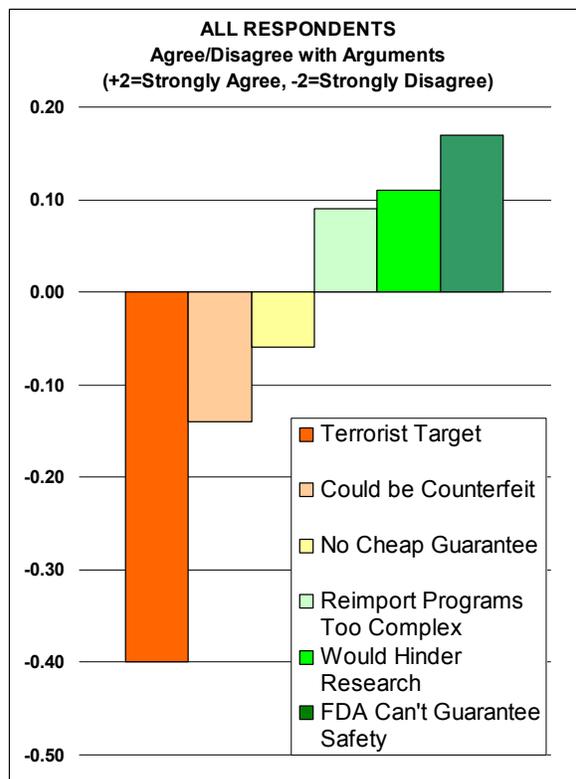
Pharma Marketing News recently conducted a survey, which asked subscribers whether or not they agreed with the following arguments often used against reimportation:

- Terrorists may target imported drugs
- Risk of endangering patients with counterfeit or substandard drugs
- No guarantee reimported drugs would be cheaper after middlemen get their cut
- FDA cannot guarantee safety of reimported drugs
- Proposed reimportation programs are too complex and expensive
- Would hinder the ability of pharmaceutical companies to invest in R&D for new drugs

The results are summarized in the following chart, in which a numerical average is calculated representing how strongly respondents agreed or disagreed with each of the above arguments.

Safety Issue

Obviously, some state officials like Governor Pawlenty think they can assure the safety of drugs imported from Canada, whereas the FDA and PhRMA have consistently warned about assuring safety.



Respondents to our survey also cited safety as the major concern. Fifty-four percent (54%) of all respondents and 100% of pharma respondents agree or strongly agree that FDA cannot guarantee the safety of reimported drugs. One respondent said: "No one can guarantee the safety of anything. Much of the current backlash arises from contradictory messages: DTC that implies the drug-taking decision is trivial vs. reimportation rhetoric that characterizes the stakes as life and death."

Sen. Olympia Snowe (R-Maine), a sponsor of The Pharmaceutical Market Access and Drug Safety Act of 2004, a bipartisan bill that would allow the importation of prescription drugs, has said, "If European countries can safely trade prescription drugs, the United States should be up to the task as well."

R&D Issue

The second most cited argument against reimportation was its supposed negative effect on R&D expenditures. Fifty-one percent (51%) of all respondents and 57% of pharma respondents agree or strongly agree that allowing widespread reimportation would hinder the ability of pharmaceutical companies to invest in R&D for new drugs.

“Reimportation is a stalking horse for price controls,” said a respondent. “If the last free market for prescription drugs is enslaved, public health will be ruinously harmed by capital flight and the abortion of undiscovered therapies for life threatening diseases.”

“It could put smaller companies that specialise in making drugs for rare diseases out of business and severely hinder the orphan drug program,” according to another respondent. However, a third respondent claimed that “reimportation might drive more R&D to niche products and for acute conditions.”

Counterfeit Issue

The majority of respondents (54%) disagrees or strongly disagrees that there is a risk of endangering patients with counterfeit or substandard drugs (compared to 43% of pharma respondents who felt this way).

As one respondent remarked: “Aren't sub-standard drugs already available in the US? Why are products recalled periodically?”

Making Reimportation Legal

As mentioned, several bills are before Congress that would legalize reimportation of drugs from Canada and other countries. Even president Bush concedes that the idea is worth a try “if there's a safe way to do it.”

The majority (60%) of respondents declared that they are no familiar with these bills, while 34% agreed or strongly agreed that the programs proposed by the bills are too complex and expensive.

Thanks to everyone who answered our survey.

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Publisher & Executive Editor

John Mack

VirSci Corporation
www.virsci.com
PO Box 760
Newtown, PA 18940
215-504-4164, 215-504-5739 FAX
<mailto:editor@pharmamarketingnews.com>

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