



March 5, 2020

**Senator Matthew L. Lesser
Chair, Insurance and Real Estate Committee
Representative Sean Scanlon
Chair, Insurance and Real Estate Committee
The Connecticut General Assembly
Legislative Office Building, Room 2800
Hartford, CT 06106**

**Re: Connecticut House Bill 5018
Submitted By: The Biotechnology Innovation Organization (BIO), Washington, DC**

Dear Chairmen Lesser and Scanlon, Ranking Members Hartley and Dathan and Members of the Insurance and Real Estate Committee:

Dear Chairs Lesser, Scanlon and Members of the Insurance and Real Estate Committee,

The Biotechnology Innovation Organization (BIO) would like to express its concerns with House Bill 5018. BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products.

Importation of Drugs from Canada

BIO is concerned this bill would compromise the safety of the pharmaceutical supply chain, notwithstanding evidence that such a program would have minimal cost savings. The United States is the standard-bearer for ensuring drug safety and efficacy, as well as the world leader in innovative drug development. Importing medicines from foreign countries would undermine public health and do little to reduce prescription drug costs.

Studies have found that any improved access or cost savings resulting from importation are likely to be minimal.ⁱ Independent studies by the Department of Health and Human Services (HHS) Task Force on Drug Importation and the U.S. Department of Commerce have concluded that importing prescription drugs from foreign countries poses safety risks to American consumers and does not result in overall net cost savings. Any public savings would be diminished by the cost of the regulatory schemes necessary in trying to ensure the safety of the drugs imported. Moreover, in 2005, the Surgeon General testified that the HHS Task Force on Importation found:

- “Total savings to drug buyers from legalized commercial importation would be one to two percent of total drug spending and much less than international price comparisons might suggest. The savings going directly to individuals would be less than 1% of total spending. Most of the savings would likely go to third party payers, such as insurance companies and HMOs.”
- “Under legalized importation, intermediaries may capture a large part of the potential savings.
- On average, foreigners pay 50% more on generic drugs than they do in the United States.ⁱⁱ

Establishing a wholesale importation program of prescription drugs from Canada would expose patients to counterfeit, adulterated, or unapproved drugs. Drugs imported from abroad will effectively lack oversight by any

health authority, and there is a high likelihood that such drugs would display deceptive or incorrect packaging and labeling.

The federal Food and Drug Administration (FDA) has repeatedly said that it cannot guarantee the safety of prescription drugs imported from Canada. Even Health Canada, the agency in charge of ensuring the safety of Canada's drug supply, admits that while the facilities that import these drugs are subject to inspections, it only did three outside inspections in 2011, and 14 in 2014.ⁱⁱⁱ In addition, of the 442 domestic inspections in 2014 and 2015, i.e., inspections of facilities within Canada, nearly 3,100 "observations" were made that constituted mostly quality violations. Of that number, 1,517 were categorized as "critical" or "major."^{iv} It is clear from this report that Health Canada cannot guarantee the safety of its own drug supply, let alone those drugs shipped to the US. Neither the FDA nor the State of Connecticut can guarantee the safety of medicine imported from Canada. No amount of savings is worth risking the integrity of the U.S. drug supply, and subsequently, the health and safety of US citizens.

In addition, HB 5018 would hamper existing efforts to protect consumers. The Drug Supply Chain Security Act establishes a 10-year plan, already underway, for the FDA to establish an electronic system to trace prescription drugs and biologics distributed in the United States for the protection of consumers from exposure to drugs that may be counterfeit, stolen, contaminated, or otherwise harmful. Allowing a parallel foreign drug supply chain from Canada will threaten these consumer protection efforts.

If you have any questions, please do not hesitate to contact me at agochenaur@bio.org or 202-870-9747.

Respectfully Submitted,

/S/

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ⁱ Report of the HHS Task Force on Drug Importation. 2005. Available at: <https://www.surgeongeneral.gov/news/testimony/t01262005.html>.

ⁱⁱ Ibid.

ⁱⁱⁱ "Drug Regulation in Canada," Congressional Research Service, January 2017.

^{iv} Ibid.