Drug companies target Gutknecht

By DAVE SMITH

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FAIRMONT -- American consumers pay anywhere from 30 to 300 times more for prescription drugs than do Canadians or Germans, says Congressman Gil Gutknecht.

"The more you study this the more ludicrous it becomes," Gutknecht said. "My final argument always comes down to this: Americans should pay their fair share. We should pay more than people in Sub-Saharan Africa, but we should not subsidize the starving Swiss. All I want is fairness."

Gutknecht is a founding member of the Republican Caucus for Affordable Pharmaceuticals, along with Reps. Jack Kingston of Georgia and Lo Ann Emerson of Missouri. The group is pushing to allow the re-importation of pharmaceuticals from countries like Canada, allowing Americans to purchase drugs at Canadian prices.

Jeff Trewhitt, spokesman for the Pharmaceutical Research and Manufacturers of America, said Gutknecht is well-intentioned, but not choosing the right solution.

"He does want to help the elderly, but he is betting on the wrong horse," Trewhitt said. "Re-importation is not the way to solve the problem of elderly patients not getting medicine."

What really needs to be changed, Trewhitt says, is Medicare. More specifically, an outpatient prescription drug benefit needs to be provided under the program.

"It's all because Medicare is falling down on the job," Trewhitt said. "Up to 38 percent of all Americans over 65 don't have third-party drug coverage and Medicare doesn't have an outpatient prescription drug benefit."

Gutknecht agrees that drug coverage will help people over 65, but he doesn't believe it will affect the most important aspect of the issue, which is price.

"Will pharmaceuticals become more affordable for America? With coverage alone, the answer is no," Gutknecht said.

Gutknecht said pharmaceutical companies are charging a disproportionate amount to Americans.

"There is no other product I can think of where the world's best customers pay the world's highest price," he said. "(Prices) are set by the pharmaceutical companies, not by the local pharmacists. (Companies) could adjust their pricing strategy tomorrow. The reason it is cheaper in Europe is because the pharmacists can choose who to buy from."

Trewhitt disagrees and says the cost to elderly patients will decrease if Medicare coverage for their prescriptions comes to fruition.

"There are three reasons why it is important. First, it will be a benefit to millions of elderly patients. Second, it will help Minnesota Medicaid to save money because coverage of the elderly poor transfers


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from the financially strapped state Medicaid to Medicare where it belongs. If Medicare covers it, $40.1 billion will be saved by states over an eight-year period. They could add more poor patients or use it for budget deficits," Trewhitt said. "And third, Medicare saves because there are less surgeries. More people are stabilized by drugs and avoid surgery."

Trewhitt said a coronary heart-bypass surgery can cost about $42,000, while stabilizing the person with drugs would only cost $1,200 annually.

"There are many examples like that. That's why we strongly recommend Congressman Gutknecht get on the band wagon with key leaders to pass a Medicare drug benefit," Trewhitt stated.

Gutknecht counters: What a Medicare benefit amounts to is merely a shift in who pays, and does not deal with the tremendous prices paid by Americans for their prescription drugs. Paying more for drugs is like getting charged twice.

Gutknecht doesn't only want the public to be able to re-import medicine, but he wants to open the option to pharmacists as well.

"Pharmacists should be able to allow customers to have the option of ordering from other places. The local pharmacy is important to the health care delivery system. You would prefer they would buy from the local pharmacy, but the system today encourages people to buy outside the system," Gutknecht said.

He said more than 1 million people did just that last year.

"My view is I don't want to tell people where to buy drugs. The federal government's responsibility, legitimately, is that (drugs) are FDA-approved."

Trewhitt says Americans should worry about safety when they re-import drugs.

"When the drugs are in another country, custody is lost, so to speak. If they are not transported or stored properly, they could lose potency."

Counterfeiting is another problem.

"The FDA says counterfeiting could be a problem," Trewhitt said. "If a booming re-importation business opens up on the border, it becomes a trans-shipment site and counterfeiting would be a major problem."

Law enforcement agencies are against re-importation for those same reasons, he added.

Gutknecht says the issue does not hold water.

"All the safety arguments, if you scratch off the veneer, are ludicrous," Gutknecht said. "If safety was a concern then all of those people in Texas, California and Arizona who are crossing the Mexican border to buy their drugs would be dropping like cord wood. The truth of the matter is that there is a high percentage of seniors who are buying their medicine in Mexico and Canada."

Having mentioned Mexico, Gutknecht said that country might be a little more risky, but there are still no examples of death caused by drugs purchased from there.

"What I am really talking about (for re-importation) is G7 countries with fairly sophisticated
counterparts to, and who cooperate with the FDA," Gutknecht said.

Where counterfeiting is mentioned, Gutknecht says there is more drug counterfeiting coming from within the US than from outside of it.

Gutknecht added that there is technology available to make pharmaceutical packages counterfeit-proof and it would only cost about 2 cents per package.

"They would be virtually impervious to contamination," he said. "More people died from imported strawberries last year than drugs. Each day, we import millions of pounds of food and the FDA says that 2 percent is contaminated with food-borne pathogens, like salmonella, which can kill you. If they are concerned with safety, they should stop importing food."

Trehwitt is traveling from one end to the other of Gutknecht's congressional district in an attempt to get constituents to sway Gutknecht to vote for the Medicare drug benefit.

Gutknecht says Trehwitt is doing it because pharmaceutical companies he represents stand to lose big money should re-importation become reality.

"Pharmaceutical companies are being aggressive because it involves big money," Gutknecht said. "Re-importation will save seniors over $600 billion if we open the market. I estimate it will save the (Veteran's Administration) over $1 billion a year. The pharmaceutical companies don't want to change prices, but shift the burden to other taxpayers."