



O, Canada: Send us your cheap pharmaceuticals

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According to a recent article in the Salt Lake Tribune, the state of Utah has responded to high prescription drug costs for its employees by setting up an "Rx Tourism" program.

Those who use medicines that are particularly pricey are flown to San Diego at the state's expense. They are met at the airport by a helpful public servant who drives them over the Mexican border to visit the many "farmacias" that line the avenues closest to the U.S. border.

The guide helps them get their drugs at about half the cost they'd pay in the U.S. He then drives them back to the airport for the flight home — and gives them a \$500 bonus for making the trip.

"In total, the state has saved \$225,000 on drugs bought in Mexico by patients who require any of the dozen or so specialty drugs," Tribune reporter Erin Alberty informs us.

There are many similar programs in other states, the article said. But why can't those people avoid the waste of all that time and jet fuel and just buy the drugs at that price here?

I got interested in that question after hearing President Donald Trump speak at a rally late last month.

He boasted about a recent executive order that would permit Americans to import lower-cost drugs from our neighbor to the north.

"We are creating a pathway to buy drugs from Canada," Trump said. "It's the same drug, the same factory, the same company, but it costs 50% less."

As he typically does, Trump added a boast.

"No president has been able to do it," Trump said he was told by his staffers. "I told them, 'If you can save 50% or even 15%, do it.' " Trump issued an order in December for the Food and Drug Administration to look into permitting both governmental and nongovernmental entities to set up importation schemes similar to Utah's — but with the drugs coming to the buyer, not the other way around.

This did not make the pharmaceutical industry happy.

We soon heard all the tired arguments we heard when Trump proposed letting Medicare bargain for drug prices: The drugs might not be safe. The funding for research and development would dry up, prices would not actually drop, and so on.

A lot of the whining came from what are supposed to be conservative think tanks. But we conservatives believe in the free market. And if I can fill my prescription in one place cheaper than in another place, why should the government get in my way?

It shouldn't, said Jeffrey Singer, a medical doctor who consults for the free-market Cato Institute.

"If you believe in the free market, then I should be able to buy across borders and the drug companies should have to deal with it," Singer told me.

In the case of the Canadians, they would probably deal with it by raising their prices while prices here would likely fall, he said.

In fact a lot of people already buy their drugs in foreign countries, he said. But for that you have to live close to a border. Singer's medical office is in Arizona, so he knows quite a few people who make the drive a few hours south to Mexico.

"They'll take a road trip, buy a bunch of stuff they need, and then have dinner and head home," he said.

That sounds like a fun day. But those of us who live in places not near a border don't have that option, at least not now.

But Trump also included some provisions to free up the pharmaceutical market in the new trade agreement with Canada and Mexico that he signed.

If all this sounds like a declaration of war on Big Pharma, Trump sounded like he's ready to rumble.

"We are cutting out the rich middlemen and delivering drugs right to the consumer," he proclaimed at that rally.

Those middlemen have been getting rich indeed.

That Salt Lake Tribune article included a graph comparing the U.S. price of a regimen for one psoriasis drug, Stelara, with the price in other countries. An American pays more than \$15,000 for Stelara while it sells for one-fifth that price in Ontario, the chart showed.

But the real price is impossible to discern for the typical consumer, Singer said, because there are so many rebates, insider deals and so on.

"You can't blame the pharmaceutical companies for getting good at playing the game," Singer said. "But the rules of the game need to be totally looked at and revamped."

In that regard, Trump's approach is "a step in the right direction," he said.

It certainly would be for the taxpayers in Utah.