

**STATEMENT BY
U.S. REPRESENTATIVE TOM ALLEN (D-ME)
IN THE HOUSE OF REPRESENTATIVES ANNOUNCING THE
REINTRODUCTION OF THE PRESCRIPTION DRUG FAIRNESS FOR
SENIORS ACT
JUNE 3, 2003**

I thank the gentleman for yielding, and I thank him for his enormous courage and directness and integrity in bringing this issue forward. This is an unusual event tonight, to have Democrats, Republicans, and our Independent from Vermont all on the floor during a Special Order talking about the same subject and agreeing with each other. I had the pleasure to serve with the gentleman from Indiana (Mr. *Burton*) for the last 6 years on the Committee on Government Reform of which he was chairman. I am very pleased to be here tonight.

Over the last week, I rode part of the way on a bus trip, on a bus in Maine chartered by Maine seniors to go up to Canada, we are close as you know, to go up to Canada to buy their prescription drugs. They go to Calais in Maine and get a prescription and then go over the border and find enormous savings. The 18 or 20 people on that bus must have saved thousands of dollars as others have before. People in Maine generally now, many of them, are ordering prescription drugs over the Internet from Canada because that is the only way they can both eat and have their prescription medications. It is a scandal what is happening in this country right now. The richest, most powerful country in the world finds that those people who do not have prescription drug coverage in this country are paying the highest prices in the world.

Several years ago we started a series of studies to find out just how great the difference is. Those studies showed basically that for drugs that on average cost, let us say \$100 a month here in the United States, the cost in other industrialized countries is around \$61 or \$62. In other words, there is about a 40 percent difference on average for the drugs that are taken most frequently by people on Medicare, our seniors and the disabled.

That is why I introduced a bill that basically would cap the price that the industry could charge in this country to what we call the average foreign price, that is, the average price at which the same drug is sold in Canada, in Japan, Britain, France, Germany and Italy, the other countries of the G-7.

But however we go at this issue, and Mr. *Gutknecht*, of course, from Minnesota has been one of the leads with the gentleman from Vermont (Mr. *Sanders*) on the whole issue of reimportation, however we go at this issue, we have to recognize that the people without insurance and the people on Medicare pay the highest prices in the world. I happen to have a health insurance plan for Federal employees in the State of Maine through Anthem Blue Cross. I know that the premium that I pay is lower than it would otherwise be because Anthem Blue Cross negotiates with the pharmaceutical industry to reduce the price of the drugs that are purchased for beneficiaries. But if you are on

Medicare in this country, if you are on the biggest health care plan in the entire country, you cannot get any discount like that.

In Maine, we took steps to try to rectify that problem. We passed a program in the year 2000 called Maine Rx. Just a few days ago, on May 19, the U.S. Supreme Court ruled against PhRMA. The Supreme Court ruled that you could not stop the Maine Rx program before it was even implemented. What it did was essentially to say that the State of Maine will enter into negotiations with the pharmaceutical industry to reduce prices on their drugs sold to anyone who does not have prescription drug insurance in Maine. That is certainly all those on Medicare who do not have prescription drug insurance and all of the uninsured who obviously do not have prescription drug insurance because they do not have health insurance; and the industry would have to reduce their prices to that group, or the State would eventually set up a commission and deal with it directly. But in doing that, the State of Maine is really not doing anything different than we do through the Federal Government for Medicaid, certainly not different than what we do for our veterans, not different than what Kaiser Permanente or Aetna or Cigna or United do for their beneficiaries, negotiate lower prices so their beneficiaries are not paying the highest prices in the world. That is really the scandal.

The gentleman from Indiana mentioned the article in The New York Times the other day. It is an amazing article because the author, Robert Pear, had access to confidential budget documents from PhRMA. I will not go back to everything that the gentleman from Indiana mentioned, but I loved this entry. Here it is, the Canadian health care system where they have lower prices, and just to give you one example, Tamoxifen, a drug to deal with breast cancer, is one-tenth the cost in Canada as it is in the United States.

Here is what PhRMA is planning to do. They have allocated \$1 million, according to their documents, to "change the Canadian health care system." Can you believe that? They would like the Canadian system to be like ours, where they can charge whatever they want to the Canadian public and where they wind up spending \$150 million a year to lobby Canadian legislators. And they think that is what the American people want as well. It just takes your breath away.

With that, Mr. Chairman, I yield back and thank you for including me in this special order tonight, and I thank you for your courage in standing up for your constituents.