

CBS News "60 Minutes"

Why So Expensive?

Seniors Take a Bus to Canada to Be Able to Afford Their Prescription Drugs on Their Limited Income

Anchor: Mike Wallace

Interviews with

U. S. Representative Tom Allen (D-ME)

George Kourpias, president of the National Council of Senior Citizens

Viola Quirion of Waterville, ME

Professor Carolyn Swift of Cambridge, MA

and

Lena Sanford of Cambridge, MA

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MIKE WALLACE, co-host: Fully 15 million of America's senior citizens--15 million of them, one out of three--have no health insurance coverage to help them pay for their prescription drugs. As a result, many of them simply cannot afford the drugs they need to keep them alive or to make their lives livable. The average annual income of America's seniors is \$ 16,000, and they get that amount from Social Security payments and pensions. And a substantial number of seniors have to pay as much as a third of their income just for their prescription drugs.

Ms. VIOLA QUIRION: By the time I pay my rent and I pay my supplement insurance, which don't cover prescriptions, I don't have much left over.

(Footage of Viola Quirion at medicine cabinet; Quirion in living room; Quirion in kitchen)

WALLACE: (Voiceover) Viola Quirion is a 73-year-old retiree from Waterville, Maine. She spends nearly a quarter of her \$ 900 monthly income on the drugs her doctor has prescribed: Relafen for severe arthritis in her knees and back, and Prilosec for a stomach disorder. Never married, she worked for four decades in the local Hathaway shirt factory for a salary just above minimum wage.

So you have just your Social Security...

Ms. QUIRION: That's right.

WALLACE: ...and your pension.

Ms. QUIRION: That's right.

WALLACE: And it's not enough.

Ms. QUIRION: That's right.

WALLACE: It would be enough without the drugs. Without the...

Ms. QUIRION: Well, without the drug--if the drugs weren't so expensive, it would m--be much better. I could live much better. I'd have a little--probably a little change at the end of the month. I wouldn't have to worry about how to get a--bread or a quart of milk or...

WALLACE: Is it that bad, really?

Ms. QUIRION: Oh, yes, it is that bad. It is that bad.

Mr. GEORGE KOURPIAS: We have thousands upon thousands of seniors that can't afford the medicine that's prescribed for them. We have them cutting pills in half.

(Footage of George Kourpias and Wallace)

WALLACE: George Kourpias is president of the National Council of Senior Citizens.

Mr. KOURPIAS: The average income of a senior in America is \$16,000 a year. Fifteen million of them are not covered at all, have no prescription drug coverage.

WALLACE: Why aren't old folks protected by Medicare, as far as drug costs are concerned?

Mr. KOURPIAS: It's not part of the law. This is what we're trying to get done now. What we need to do is enact a universal, comprehensive prescription drug program under Medicare so everybody is covered.

(Footage of National Council of Senior Citizens protest)

WALLACE: (Voiceover) Many seniors who did have some drug coverage through private insurance plans have now lost it, for in just the past 18 months, nearly a million American seniors were told by their HMOs or their health plans that their drugs will no longer be covered. But now many seniors have discovered there are places they can get their drugs cheaper: Mexico and Canada.

Mr. KOURPIAS: Well, what's happening is that seniors in America have to pay two or three times the price for a drug that is sold in either Mexico or Canada.

(Footage of bus; seniors; seniors on bus; roadside as seen from bus; Carolyn Swift with Wallace)

WALLACE: (Voiceover) And so the seniors' council has organized and helped pay for several bus trips for seniors to go to Canada to buy their drugs, and we went along on one of those trips. The bus started in Portland, Maine, drove across New Hampshire, then up through Vermont, picking up about 40 seniors along the way. One of the seniors we met, Carolyn Swift, a retired English professor.

Professor CAROLYN SWIFT: I feel that we are all--on this bus, we are refugees from the American health care system.

WALLACE: What do you mean?

Prof. SWIFT: We are, all of us, inadequately insured, struggling to take our medications, without which we will die. And thank goodness Canada's here.

(Footage of Lena Sanford)

WALLACE: (Voiceover) Lena Sanford is a 73-year-old retiree from Cambridge, Massachusetts. And like most seniors who are having health difficulties, she has to take more drugs than the average American.

You take how many drugs every day?

Ms. LENA SANFORD: I take about 16.

WALLACE: Sixteen?

Ms. SANFORD: Yeah.

WALLACE: What do you take?

Ms. SANFORD: I take six alone for my lung disease. I take pills for high blood pressure, anxiety, for arthritis. I got a whole list of things here.

WALLACE: How much every month for drugs?

Ms. SANFORD: My drugs comes to 13...

WALLACE: \$ 1,365?

Ms. SANFORD: For what I'm paying here in the United States, it'd be one-third over in Canada.

(Footage of Sanford)

WALLACE: (Voiceover) Lena's insurance used to cover that \$ 1,365, but as we said, like millions of other seniors across the country, her insurance plan recently stopped paying for her drugs. So she went to Canada, because it turns out the drugs she needs cost more than her total monthly income of \$ 1,200.

Ms. SANFORD: You know what I feel like, Mike?

WALLACE: Hmm?

Ms. SANFORD: A convict.

WALLACE: A convict?

Ms. SANFORD: I'm g--I'm leaving this country to go to another country, going over the border to get my medication so that I can live. I think it's a disgrace.

(Footage of bus; seniors and Wallace in drugstore)

WALLACE: (Voiceover) The bus crossed over to Canada from Vermont, and once there, we followed the seniors to a Montreal drugstore where many of them had their prescriptions filled for about half the price they paid in the US. Lena Sanford said that she saved more than \$1,000.

Unidentified Man: This in American dollars. What we have here is \$9--915.

Ms. SANFORD: Wow. That's good.

WALLACE: That's...

Ms. SANFORD: That's great, and that's two months.

Unidentified Man: Two months' supply, yeah.

Ms. SANFORD: Unbelievable.

(Footage of pharmacist and seniors)

WALLACE: (Voiceover) The pharmacist asked us not to identify him, because, under Canadian law, he is not supposed to fill prescriptions from US doctors unless they're countersigned by a Canadian doctor. But he sympathizes with these seniors, and he told us the drugs he sold these women are the very same drugs they would get in the United States.

By whatever name, by whatever package, these are the same drugs here that we buy under these names in the United States? And as far as you know...

Unidentified Man: But as far as I know, there's no--there's not a s--there's not a hint of a difference, you know, between either drug.

(Footage of pharmacist with drugs; Representative Tom Allen)

WALLACE: (Voiceover) And why are the seniors' drugs so much less there? We asked US Congressman Tom Allen of Maine, who had requested a congressional study.

Representative TOM ALLEN (Maine): The Canadians don't let the pharmaceutical companies take advantage of their citizens, and they do it in two ways. One, there's a national price review board that makes sure that maximum prices are set for new drugs. And second, each of the provinces has a health care plan that covers at least seniors and the poor. And they have market power. Those plans are able to negotiate lower prices.

WALLACE: They buy in bulk.

Rep. ALLEN: That's right.

WALLACE: And so buying in bulk, they get a deep discount. Just like the HMOs or the Veterans Administration or whatever here in the United States, buy in bulk and get a discount.

Rep. ALLEN: That's right.

(Footage of pharmacist, seniors and Wallace; Allen)

WALLACE: (Voiceover) So without any bulk discount on their drugs, according to the recent congressional study, senior citizens like Viola and Lena are paying for their drugs, on average, more than twice as much as most other Americans. Congressman Allen has proposed legislation that would allow the government to buy drugs in bulk for seniors. But the pharmaceutical industry has harshly criticized his proposal. It's government- mandated price controls, they say.

Rep. ALLEN: The most profitable industry in the country is charging the highest prices in the world to people who can least afford it, and many of them are our seniors. And that is simply wrong.

WALLACE: Are you saying that the drug companies, the pharmaceutical companies of America, are gouging the seniors?

Rep. ALLEN: Yes, they are.

(Footage of Allen and Wallace)

WALLACE: (Voiceover) And later on he told us...

Rep. ALLEN: What really bothers me about this industry is that they are spending millions of dollars to stop the kind of reform that America's seniors need. They're trying to stop this discount approach that I've advocated. They're trying to stop any prescription drug benefit under Medicare, as it's currently constituted. And, the weight of that industry, the amount of financial resources that it's able to bring to bear, both in Washington and through television around the country, is formidable.

(Excerpt from commercial)

(Footage from commercial)

WALLACE: (Voiceover) Fact is, the industry has launched a \$ 30 million advertising campaign attacking various proposals to expand Medicare to pay for seniors' drugs.

(Excerpt from commercial)

WALLACE: We asked the top 10 US pharmaceutical manufacturers to respond to Congressman Allen's charges, but not one of them would answer our questions on camera. They referred us instead to their trade association. But they, too, declined an interview, unless it was live and unedited.

(Footage of Alan Holmer)

WALLACE: (Voiceover) While they wouldn't talk to us, the trade association's president, Alan Holmer, had said in a previously taped and edited interview with the "CBS Evening News" that proposals like Representative Allen's will cripple research and development of new drugs.

Mr. ALAN HOLMER: The United States has an environment that nurtures biomedical research right now. If Congress changes that, it's gonna reduce pharmaceutical R&D, and it's gonna make it far less likely that the companies are gonna continue to be able to come out with the new cures and the new treatments to the extent that we have been able to do in the past dozen or so years.

WALLACE: We keep hearing that the pharmaceutical industry says, 'Hey, if government gets involved in this, this means price controls, and we don't want price controls.'

Mr. KOURPIAS: It's not about price controls. We want the industry to make profits. We're not against profits, but how many profits are they talking about?

WALLACE: You also hear that if the cost of these drugs to seniors goes down, it's gonna hurt research and development in new drugs, the very drugs that these old folks are going to need in the future.

Mr. KOURPIAS: Absolutely not.

WALLACE: Why?

Mr. KOURPIAS: It's not going to affect it again. Right now their profits are three times what they put into research and development. And billions of dollars are being spent at the National Institute of Health for the invention of new drugs. That helps that industry.

WALLACE: So when they cry poverty...

Mr. KOURPIAS: There's no truth to it.

Ms. SANFORD: I feel like a victim. And I also feel like a fugitive, that I have to leave the United States to go over the border and come to Canada to get over a \$ 1,000 break on my insur--on my medication.

Ms. QUIRION: I've worked hard all my life. I never was on welfare. I never collected unemployment. I've worked till the age of--from the age of 15 till 67. And I get out of w--and I've never had to pay my insurance. When I worked, my employer paid the insurance. And it's the first time in my life, after retirement and all that hard work, that I cannot afford prescriptions.

WALLACE: Apparently Viola Quirion will have to wait, and wait some more, for help from her government. Last Wednesday, senior Republicans in the Congress said they do not have enough time this year to address what the elderly are after: Medicare coverage of their prescription drugs.