


COLORADO

 Department of Health Care
 Policy & Financing

Vote Yes on SB20-119

Expand Canadian Drug Importation Program, Sen. Gina/Rep. Jaquez Lewis

What does this bill do?

SB20-119 authorizes the Department to expand the current drug importation program to include countries other than Canada if federal policy allowed such an expansion.

Why is this bill needed?

Currently, federal statute permits drug importation from Canada. If federal statute changes to allow for importation from countries other than Canada, Colorado would be able to move forward quickly to expand saving opportunities for consumers.

- **U.S. drug prices are higher than any other country.** A 2017 study found prescription drug spending per capita in the U.S. ranges from 30% to 190% greater than in nine other high-income countries¹.
- **Our seniors need this bill.** Colorado is the 3rd highest state in growth of our senior population, which almost doubled between 2003 and 2013. In 2017, the average annual retail cost for 754 brand name, generic and specialty prescription drugs used to treat chronic conditions was almost \$20,000 per year. That is nearly 20% higher than the average Social Security retirement benefit (\$16,848)².
- **This bill ensures federal and state consumer safety standards are met.** All imported drugs would have to be FDA-approved; sample tested for quality, authenticity, and degradation; tracked and traced according to federal supply chain law; and relabeled to meet U.S. labeling requirements. Any drug unable to meet these requirements will not be considered.
- **A majority of drugs sold in the U.S. are already manufactured overseas.** The FDA estimates that, as of 2018, 88% of facilities making active pharmaceutical ingredients and 63% of facilities making finished drugs sold in the U.S. are located overseas.³
- **This bill increases competition and allows other countries to enter into a new market.**

What are the consequences if this bill is not passed?

The Department's ability to implement guidance or changes from the federal government related to importing drugs from outside the United States would be delayed until Colorado statute was also updated. Since the state is in the process of completing the initial federal application and program design, we are poised to replicate the process to import from other countries, allowing more Coloradans to save money on prescription drugs. This bill allows Colorado to pursue a similar program with countries outside of Canada with departmental resources and support already in place.

What is the fiscal impact of this bill?

No fiscal impact beyond SB19-005. Similar federal bills analyzed by the Congressional Budget Office have shown significant cost savings.

Who supports this bill?

AARP, Colorado Community Health Network, Colorado Consumer Health Initiative, Colorado Cross-Disability Coalition, National Federation of Independent Business Colorado

¹ Samak, Squires, and Bishop, "Paying for Prescription Drugs Around the World: Why Is the U.S. an Outlier?," The Commonwealth Fund, October 5, 2017, <https://www.commonwealthfund.org/publications/issue-briefs>

² AARP, 2019 <https://www.aarp.org/politics-society/advocacy/info-2019/prescription-drug-price-report.html>

³ Congressional Research Service, In Focus: Prescription Drug Importation (Updated November 21, 2019)

Our mission is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.
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