

## Legislative Memo

March 15, 2004

## Should the City of Seattle purchase prescription drugs from Canada?

Elected officials in Seattle are considering whether to authorize city agencies to purchase prescription drugs from Canada. To assist public leaders in making an informed decision, some of the potential problems with the City adopting such a policy are outlined below.

- 1. It is illegal. Under federal law importing prescription drugs from another country without proper licensing is illegal. The Customs Service allows individuals who purchase up to a 90-day supply to import it into the United States for their own use. This policy clearly would not apply to municipal governments, which would be importing large drug supplies for thousands of people. Openly and willfully violating the law could place health funds the City receives from the federal government in jeopardy.
- 2. It is unsafe. The FDA has said it cannot guarantee the safety of prescription drugs imported illegally from another country. At the same time the Canadian government says its own public safety measures are directed only at the domestic supply. Canada does not guarantee the safety of prescription drugs that are sold for use outside the country. In a recent enforcement "blitz," the U.S. Customs Service found 1,728 unapproved drugs being shipped into the United States by mail. Findings included recalled drugs, drugs requiring special handling, drugs containing addictive controlled substances and drugs requiring the close supervision of a physician. 80% of the discovered unapproved drugs came from Canada.
- 3. It exposes citizens to the risk of counterfeit drugs. City government importing prescription drugs from Canada increases the chance citizens will be exposed to dangerous counterfeit drugs. The World Health Organization estimates that some 10% of branded medicines on the world market are counterfeit. Drugs manufactured in Mexico or Asia are sometimes trans-shipped through Canada in order to hide their true country of origin. Drugs said to be "from Canada" may actually have originated in any country in the world.
- 4. It exposes the City to expensive medical liability lawsuits. With the FDA issuing strong warnings about the lack of controls on drug imports, anyone injured by a prescription drug imported by the City of Seattle from Canada would have strong legal grounds for filing a medical harm or wrongful death lawsuit against the City. Even legal, approved drugs can have an adverse effect in a small number of cases. The risk would be even greater with unregulated drug coming from a foreign country. Potential litigants include everyone receiving care through a city-funded public health

program, including all City employees and their dependents. Seattle's willful violation of the law would be enough to convince any jury that City officials are responsible for a patient's adverse drug reaction. Just one lawsuit would be more than enough to wipe out any savings Seattle might expect to gain from importing drugs from Canada.

5) Addresses a small part of the problem. The idea of buying prescription drugs from Canada addresses only 9% of the City's annual health care spending, so even if prescription drug costs were cut by half, the rising budget impact of the remaining 91% of health care spending would remain unchanged.

Councilmember Rasmussen's concern about reducing health care costs is timely and commendable, but as Councilmembers consider this proposal they should be aware of the very real legal and financial risks of buying prescription drugs in Canada. There are more practical ways to get a handle on the City's soaring health care costs.

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