

# Cheap prescription drugs creating new brand of US tourist in Canada, Mexico

**Milan Korcok**

By the busload, thousands of American seniors are crossing over into Canada and Mexico to stock up on the one valuable commodity they can't seem to find at home — affordable prescription drugs.

Armed with sturdy American greenbacks and lured by price differentials that save some of them thousands of dollars a year, the list of treks being made by these day trippers is growing: from Maine to Quebec and New Brunswick, from the state of Washington to Calgary or Vancouver, from Arizona, Texas and California to Mexico.

According to US Senator Slade Gorton of Washington, the stomach acid medication omeprazole costs US\$129 for a 30-pill order in his state, but only US\$53 in Canada. The antihyperglycemic agent metformin costs \$52 in the US, but only \$12 in Canada, while conjugated estrogens cost \$26 in Washington and \$7 in Calgary. Overall, the survey found that for the 10 most commonly prescribed drugs, average prices were 64% lower in Canada than in Washington state. (All prices provided are in US dollars and are based on the lowest dosage available for each drug.) To American seniors, many of whom have health plans (including Medicare) that do not cover prescription drugs, these savings could make a huge difference.

The plight of these pharmaceutical nomads has clearly inflamed the passions of federal and state politicians during this election season, particularly because the issue of expanding prescription drug benefits to 38 million Medicare beneficiaries and 44 million uninsured Americans has zoomed to the top of the political agenda. Everybody, it seems, is looking for a solution to the high cost of prescription drugs. But forcing seniors to hop the border to Canada or Mexico to fill shopping bags with drugs, many of which were manufactured in the US, is not a politically appealing one.

Industry representatives generally attribute lower drug prices in foreign countries to consumer drug price controls, such as those provided by Canada's Patented Medicines Prices Review Board. Drug manufacturers and their US wholesalers have to sell at a great discount if they want to make their products available abroad. Even in the US, large bulk buyers of drugs like HMOs, insurance companies and the Veterans Administration get huge discounts for their volume purchases. However, the folks who buy retail are out of luck.

To level out this playing field, Gorton has introduced the Prescription Drug Fairness Act, which is designed to spread out the costs of research and development internationally. His bill would prohibit drug companies from selling any

product in foreign countries at a lower price than in the US. Passage of the act would be bad news for Canadians, who will face higher prices, but Americans would enjoy lower prices. The Pharmaceutical Research and Manufacturers of America, a trade group representing the industry, doesn't buy his reasoning, but it also opposes the price controls that exist in Canada and many other countries on grounds that they dampen innovation, research and development.

Meredith Arp, an association spokesperson, told *CMAJ* that it takes 12 to 15 years for an experimental drug to go from lab to patient, at an average cost of US\$500 million; only a small proportion of these drugs actually make it to market. "We do oppose the Gorton bill," she said. "It is draconian. It is a price-control bill, and all patients would suffer." She said the bill would place control of American drug pricing in the hands of foreign government bureaucrats and would set prices below those of foreign countries that ration health care and limit access to medicines.

"It is not my intent to harm the research going on in the US," says Gorton. "Drug companies should be able to recoup the research and development of both unsuccessful and successful new drugs. But my constituents in Washington and other Americans should not be forced to pay all of those costs for the rest of the world." Gorton's bill is scheduled for committee hearings during the summer.

But perhaps more significant than Gorton's initiative is the recent passage of the nation's first drug price control law in Maine. It is designed to bring drug prescription prices more in line with those being paid in Canada by thousands of Maine seniors, who regularly trek across the border to Quebec and New Brunswick to make their purchases. The sponsor of that measure, Maine's Senate Majority Leader Chellie Pingree, told *CMAJ* that drug manufacturers will have until 2003 to bring wholesale prices down to the levels they charge Canadian or European wholesalers, or other bulk buyers like HMOs and the US federal government. If they don't, state-mandated price controls will kick in. Initially, Mainers who lack prescription insurance coverage will be given a prescription card that will entitle them to 12% to 15% drug discounts. These will be increased annually until prices are roughly comparable with Canadian ones. "What we're saying to manufacturers is 'give us the same prices you give to all the others,'" she said. Pingree also noted that a similar legislative measure is being considered in Vermont, where 50% of the state's population is within a 90-minute drive of Quebec. Legislators from Pennsylvania and New York State are also

showing interest. Drug manufacturers have vowed to fight the new law in the courts.

Pingree said that Maine seniors' groups regularly organize drug-shopping bus trips to Quebec for their members. But should pharmacists here serve them?

Reneé Couturier, communications and issues manager for the Canadian Pharmacists Association, said that according to the association's standards and practices, pharmacists can only dispense a drug if they have a script written or cosigned by a doctor licensed to practise in Canada. But it's clear, she said, that "there probably are pharmacists who are choosing to avoid the law. We've even seen cases where pharmacists have openly admitted filling scripts [for Americans] during television interviews."

She said the association gets many calls from American seniors asking how they might buy drugs in Canada. They ask which pharmacies they can go to or which doctors might write prescriptions. "We tell them what the rules are and that they will have to do their own homework." But it's clear, she

admitted, that they do their homework and they usually get what they want.

Ditto on America's southern border. The *Arizona Republic* notes that in the Mexican border town of Algodones, 28 *farmacias* are clustered in a 3-block area well known to thousands of Americans who venture in regularly for their medications. Many claim they save US\$500 to \$600 per trip. One bus company from the Lake Havasu City-Kingman area now takes up to 200 seniors weekly on the "Colorado river run." Other companies claim greater numbers. Near each *farmacia* there are doctors' offices where, for US\$15 to \$25, shoppers can get all the scripts they need. And quite often even that need is overlooked by a *farmacia* clerk who might charge an extra \$20 to make an unscripted sale.

Where there's a will when it comes to buying cut-rate drugs, there seems to be a way.

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