



Testimony of Matthew Netto, AARP Rhode Island
In support of House Bill 7444
House Committee on Health and Human Services
February 29, 2024

Chairwoman Donovan and members of the House Health and Human Services Committee:

My name is Matt Netto, and I am the Associate State Director of Advocacy for AARP Rhode Island. AARP is a nonpartisan, social mission organization with 38 million members nationwide and nearly 125,000 members here in Rhode Island. We advocate on behalf of issues that impact older adults, and we appreciate the opportunity to offer our support for establishing a Wholesale Prescription Drug Importation Program for the importation of wholesale prescription drugs from Canada as House Bill 7444 from Representative Tanzi is intended to do.

A state-administered wholesale drug importation program could be structured in a variety of ways and could:

- Be available to all state residents or just people covered under state payer programs (such as Medicaid, state employees, or prisons);
- Include all state-licensed payers, distributors, and dispensers, or just a subgroup; and
- Include many drugs or just a small number of products.

This would not be a program of personal importation, but instead the state itself would contract with a fully licensed, regulated supplier from Canada that is required to provide only drugs that are fully regulated and compliant with that country's laws. Then the state would distribute those drugs under the procedures determined by the state program. For example, the state could contract with a state-licensed wholesaler, operating under the terms of the state program, to handle the imported product and manage distribution to state-licensed retail pharmacies.

Though not a complete solution to the problem of high drug prices, safe and legal importation will help put downward pressure on prices. Legislative fiscal analyses of state importation proposals have estimated significant savings for states and consumers. The size of savings and which consumers benefit will depend on how a state's program is structured. Florida projects that its program would save over \$183 million dollars annually when fully operational. In Colorado, State health officials estimate the move will save the state \$51 million over a three-year period, to be passed along to Coloradans in the form of lower insurance plan premiums and out-of-pocket expenses.

Legislation authorizing a state to seek federal approval for an importation program has been enacted in seven states. Those states are Vermont, Colorado, Florida, Texas, Maine, New Hampshire and New Mexico. Florida's plan was approved by the FDA in January 2024 and is currently the only proposal approved. The approval of Florida's plan represents the first time the FDA has granted authority for a state to safely import prescription drugs from another country.

Finally, let's dispel a myth that is at the centerpiece of the drug industries argument against importation. Pharmaceutical companies say that we should not import because of safety concerns. This is simply untrue. In September 2020, the Trump Administration issued a final rule and guidance that outlined two pathways for the safe importation of drugs from Canada. In this guidance, HHS certified that importation of prescription drugs poses no risk to public health and safety and would result in cost savings.

In addition, the FDA will only approve plans if safety can be assured. Most people do not realize that more than 70 percent of the U.S. prescription drug supply is already imported, and more than 80 percent of the raw pharmaceutical ingredients are imported for U.S. manufacturing of finished products. Our prescription medications are already part of a safe, efficient, global supply chain. A Rhode Island importation program would use the existing global manufacturing and supply chain system to improve prescription drug affordability.

Please take this important step to protect Rhode Islanders from unaffordable prescription drug costs by recommending passage on House Bill 7444.

Sincerely,

A handwritten signature in black ink that reads "Matt R Netto". The signature is written in a cursive, slightly slanted style.

Matthew Netto
Associate State Director-AARP Rhode Island
Mnetto@aarp.org / 401-834-0524