



THE SEGAL COMPANY

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## MEMORANDUM CANADIAN PRESCRIPTION DRUG

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After researching the issue of web based Canadian prescription drug purchases, we have discovered the following information.

Of the 50 States in the Union, 46 of them make no mention of purchasing Canadian drug on their website. Two states, the Wisconsin and Minnesota have direct links to Canadian pharmacies (more detail follows). The State of Illinois has a link that directs you to a petition they would like you to sign, that would direct Congress to help give Americans access to prescription drugs prices that the Canadians have. The State of Alaska mentions that they are researching the idea of purchasing Canadian prescription drugs. The City of Burlington, VT has set up a website that appears to be only for employees and dependents with no access for residents of the City or State, similar to Springfield MA. In addition, Westchester, NY and the City of Boston plan to roll out similar services.

The States of Wisconsin and Minnesota both have set up a link on the official state website that is designed for easy access to Canadian pharmacies. The State of Minnesota has set up access to two pharmacies, Granville Pharmacy and Total Care Pharmacy, for residents to purchase their prescription drugs. Wisconsin used both of the above-listed pharmacies as well as Canada Drugs Pharmacy. How did the states select participating pharmacies? The states sent out a Request for Response to a number of Canadian Pharmacies. From those who responded, 7 were selected as finalists for consideration. Each of the three participating pharmacies were inspected by the states. All three selected pharmacies were deemed to have a level of quality control that was at or above the level of the pharmacies within their own states. They found that the regulations that govern the Canadian pharmacies were very similar to their own states' regulations. Minnesota and Wisconsin set up this public program through a link on their official state websites for any residents of their each state (not solely for state employees or retirees). The website gives information for individuals to make the determination if Canadian drugs are right for them. The States receive no direct or indirect payment from the pharmacies and there are no membership fees for participants to join. The States have made the website available to help residents control the cost of prescription drug needs. There are many Internet websites that offer prescription drugs. Minnesota and Wisconsin felt that it was necessary to research, evaluate and tour each of the facilities, to ensure that the quality standards are sufficient. There were no fees charged by the pharmacy to set up this service.

There are a number of steps that need to be taken to set up a link to a Canadian pharmacy. The Federal Prescription Drug Marketing Act allows only the manufacturer to import, or re-import prescription drugs into the U.S. However, the FDA and U.S. Customs have not applied the importation ban to individuals bringing limited supplies of drugs for personal use across the border, including through mail order prescriptions. Governors and mayors across the country have come out in favor of buying cheap drugs from Canada, grabbing onto a popular issue. How states and cities develop these schemes is important because the efforts carry legal, health and political risks. Attorneys say the states could be liable even if they are not themselves importing the drugs. "The federal government can take the position that the state is facilitating an action that is illegal under federal law. Congress continues to examine the topic of importing Canadian prescription drugs and there has been no change in the FDA's stance. However, the fact remains that purchasing drugs from Canada is illegal. Please call if you have any additional information.