

Statement of Gabriel Levitt
On Behalf of PharmacyChecker and Prescription Justice
For the U.S. House Ways and Means Committee

On

“Investing In The U.S. Health System By Lowering Drug Prices, Reducing, Out-of-Pocket Costs and
Improving the Medicare Benefit”
[a hearing held on October 17, 2019]

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Our company, PharmacyChecker.com, verifies online pharmacies, and compares drug prices among those accredited in our online pharmacy Verification Program. Consumers, Americans and worldwide, access our website for free. Our website has received about 30 million visitors since we launched our virtual doors in 2003. Our niche is comparative pricing and the proper credentialing of international online pharmacies, which process prescription drug orders filled by licensed pharmacies in several countries, require valid prescriptions, and do not ship controlled drugs into the U.S. We also provide information about discounted U.S. pharmacy prices and patient assistance programs. The information we provide helps people make the best decisions for themselves and their families when struggling with the cost of prescription drugs.ⁱ

[Prescription Justice](http://PrescriptionJustice.org), a non-profit organization, was founded in 2015. Its mission is to end the crisis of high prescription drug prices in America, and to do so on a bipartisan basis. The policies that Prescription Justice advocates for are supported by overwhelming majorities of American voters, Republican and Democrat. They include ending the ban on Medicare negotiating drug prices; banning reverse patent agreements among brand and generic drug companies, also known as “pay-for-delay; legalizing the importation of lower-cost, safe and effective drugs; and advocating for the use of FDA enforcement discretion to allow Individuals the freedom to import affordable medications for their own care.ⁱⁱ

We strongly applaud your committee for its efforts to debate how to lower drug costs in Medicare and reduce direct costs for patients. In particular, we were motivated and heartened by your excellent report – “A Painful Pill to Swallow: U.S. vs. International Prescription Drug Prices” (“Committee Report”) – that shined a bright light on the glaring drug price disparities between the U.S. and other high-income countries, which will be the focus of our statement.ⁱⁱⁱ

Your report showed that ex-factory drug prices on 79 brand name drugs in 11 countries are almost 75% less on average than in the U.S. The Committee Report stated:

The results we present are meant neither to make a case for one non-U.S. system versus another, nor to determine the individual factors driving the differences in pricing between the U.S. and the 11 comparator countries in this study. But the results clearly show that Americans are paying more for the same drugs, leading many policymakers to look abroad for models that work better in reigning in costs.^{iv}

Indeed, while policymakers look abroad for models, Americans already look abroad to import medication from pharmacies with these lower prices, and tens of millions have done so because they can't afford their medications now or because they're tired of overpaying.^v

Personal drug importation is prohibited under most circumstances, according to the U.S. Food and Drug Administration's website. Still, the government's most recent survey data, published in 2015, showed that about four million Americans import medicine each year because of cost.^{vi} Another survey from the Fall of 2016 by the Kaiser Family Foundation, estimates that 20 million Americans say that they have imported lower cost medication. Federal law provides extensive flexibility for Americans to personally import more affordable medicine as long as it doesn't present an unreasonable risk to the patient.^{vii}

We realize that drug importation may fall outside the jurisdiction of your committee, but it's important that you consider best practice models and consumer behavior related to how lower drug prices in other countries are already helping Americans, as part of the legislative and regulatory agenda on drug prices. Your report looked at ex-factory, meaning list prices of drugs. To expand on your international drug price research, to show your committee how real this access is to patients, PharmacyChecker collected and analyzed *retail* prices of drugs that are suitable for safe personal import when orders are placed with properly credentialed international online pharmacies (i.e. not rogue pharmacy websites) and for which we could obtain the average U.S. retail price. This pricing data is presented in [Appendix A](#) below.

The drug price disparities found in the PharmacyChecker analysis were close to those in the Committee Report. For 34 drugs that met the aforementioned criteria, PharmacyChecker found a potential average savings of 72%. That included international prices from pharmacies in Australia, Canada, India, New Zealand, Turkey and the UK. When we just looked at Canadian pharmacies, the savings went down to 63%. As you've discovered in your report, Canadian prices are often higher than other countries, except the U.S.

The Committee Report found that the most expensive drugs, while still much higher priced in the U.S., had lower disparities than less expensive drugs. Such drugs in the latter camp are those that Americans sometimes pay for out-of-pocket, either because a drug is not covered by insurance or the person is uninsured. For example, the drug Multaq, according to the Committee Report, was \$10.51 per unit in the U.S. vs. \$1.53 in the UK. That's an 85% difference. PharmacyChecker looked at the retail price of 30 pills of Multaq. The average retail price was \$814.38 in the U.S. vs. a low price of \$110 from an international online pharmacy. A potential 86% savings.

In contrast, in the Committee Report, the average international price of the Hepatitis C drug Harvoni was only 51%. In the PharmacyChecker analysis counterpart, the potential savings for Harvoni was only 49%. The average U.S. retail price was \$32,570 compared to the lowest available international pharmacy prices of \$16,510. Such prices, while far less outside the U.S. are obviously out of reach for patients paying out-of-pocket.

In an earlier drug price analysis from June of this year, PharmacyChecker researchers looked at prices of ten commonly prescribed, brand-name medications without generic alternatives available in the U.S. That basket includes drugs such as Xarelto (stroke), Januvia (type 2 diabetes) and Spirivia (COPD). The potential average savings in that study was 90% looking at all international pharmacy options; 75% when it was just Canada. These are the types of the drugs that uninsured and underinsured Americans are finding and benefiting from lower prices at foreign pharmacies. This pricing data is presented in [Appendix B](#) below.

The committee should also be aware that many if not most of the drugs mentioned in its report are not only much less expensive outside the U.S. but are also manufactured outside the U.S. PharmacyChecker researched the top 100 brand name drugs and found that 71% of them were not made in the United States.^{viii} The FDA has insisted for many years that only 40% of finished prescription drugs sold in the U.S. are foreign made,^{ix} a surprisingly static statistic.^x The importance of this data is two-fold: 1) the jobs to manufacture many of these drugs are not in America, and 2) while we are already importing them, meaning lawfully in wholesale quantities, the main beneficiary is the manufacturer who controls the price entirely, 3) using personal drug importation, Americans are able to break the stranglehold of the captive U.S. pharmaceutical marketplace.

The knee jerk reaction of some policymakers is to question the safety of personal drug importation, especially imports generated by online pharmacies. Many rogue pharmacy websites pollute the Internet and are dangerous. However, false information is pervasive about importation and online pharmacies, often the result of scare tactics propagated by non-profit organizations funded by drug companies.^{xi} To respond to this, I bring to your attention a report published by the American Enterprise Institute called, "Personal Medicine Importation: What Are the Risks, and How Can They Be Mitigated?"^{xii} Written by AEI visiting scholar Roger Bate, the report brings together a decade of research, including the testing of approximately 1000 prescription orders from online pharmacies. It concludes that properly credentialed international online pharmacies are just as safe as domestic pharmacies but charge much lower drug prices.^{xiii}

To reiterate the general purpose for this statement: bring to the attention of the House Ways and Means Committee the reality of how the very drug prices identified in the Committee Report are already providing relief for millions of people via personal medicine prescription orders placed on international online pharmacies. That knowledge may be helpful in persuading colleagues of the importance of using international drug prices as a reference to bring fairness to Americans patients and taxpayers.

To help those Americans who decide they must import a more affordable medicine for personal use, your committee could consider amendments to the tax code to permit such purchases to be counted as medical expense deductions. The Internal Revenue Service (IRS) states that imported medicines whether carried in travel or shipped cannot be included as medical expenses.^{xiv} Interestingly, the IRS states: "You can include the cost of a prescribed drug you purchase and consume in another country if the drug is legal in both the other country and the United States."^{xv} Since that would include almost all the drugs analyzed in the Committee Report, which the Committee describes as the "same drugs," I recommend allowing Americans to count these purchases of lawful drugs whether obtained during travel or shipped to their home.

PharmacyChecker and Prescription Justice both support ending the ban on Medicare negotiating drug prices, the focus of your committee's hearing and the policy most embraced by American voters,

Republicans and Democrats.^{xvi} We believe that the future lies in such legislative reforms that bring down drug prices in America. Currently, safe international online pharmacies are a lifeline for consumers, Americans and people everywhere, who are falling through the cracks on accessing prescription drugs. Their use should not go unrecognized or deterred.

ⁱ See <https://www.pharmacychecker.com/aboutus/>.

ⁱⁱ See <https://prescriptionjustice.org/about-us/who-we-are>

ⁱⁱⁱ “A Painful Pill to Swallow: U.S. vs. International Prescription Drug Prices,” a report prepared by the House Ways and Means Committee Staff, September 2019. See

https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/U.S.%20vs.%20International%20Prescription%20Drug%20Prices_0.pdf [Last accessed 10/29/19].

^{iv} Ibid.

^v Kaiser Health Tracking Poll: September 2016. By Ashley Kirzinger, Bryan Wu, and Mollyann Brodie The Henry J. Kaiser Family Foundation. <http://kff.org/health-costs/report/kaiser-health-tracking-poll-september-2016/>: [Last accessed 10/29/19].

^{vi} Cohen RA, Villarroel MA. Strategies used by adults to reduce their prescription drug costs: United States, 2013. NCHS data brief, no 184. Hyattsville, MD: National Center for Health Statistics. 2015. See <http://www.cdc.gov/nchs/data/databriefs/db184.htm>: [Last accessed 12/11/2016].

^{vii} Title 21, U.S.C. 384 (J).

^{viii} “FDA’s Drug Importation Data is Wrong,” PharmacyChecker News Release, July 17, 2018. See <https://www.pharmacychecker.com/news/fdas-drug-importation-data-is-wrong/>: [Last accessed 10/29/19].

^{ix} “The Public Health Role of Drug Regulation in the US,” a presentation by Douglas C. Throckmorton, M.D. Deputy Director for Regulatory Programs, CDER, FDA, March 20, 2017.

^x Presentation by former FDA Commissioner Margarete Hamburg, October 8, 2010. Dr. Hamburg cites the 40% figure. See <https://www.c-span.org/video/?295894-4/margaret-hamburg-remarks-counterfeit-perscription-drugs> [Last accessed 10/29/19].

^{xi} Elgin, Ben, “Sheriffs’ Ads Slammed Drug Imports, and Big Pharma Helped Pay the Tab,” *Bloomberg News*, October 23, 2019. See <https://www.bloomberg.com/news/features/2019-10-23/big-pharma-helped-fund-sheriffs-ad-blitz-against-drug-imports>: [Last accessed 10/29/2019]. See Michael McAuliff, “Keeping International Pharmacies Under a Cloud: The drug industry worked with the Obama administration to sow safety fears about cheaper medications from foreign sources,” *Tarbell*, May 2, 2018. See <https://tarbell.org/2018/05/keeping-international-pharmacies-under-a-cloud/>: [Last accessed 10/29/19].

^{xii} Bate, Roger, “Personal Medicine Importation: What Are the Risks, and How Can They Be Mitigated?” American Enterprise Institute, September 11, 2019. See <https://www.aei.org/research-products/report/personal-medicine-importation-what-are-the-risks-and-how-can-they-be-mitigated/>: [Last accessed 10/29/2019].

^{xiii} Ibid.

^{xiv} See. https://www.irs.gov/publications/p502#en_US_2018_publink1000179071

^{xv} Ibid.

^{xvi} Kirzinger, Ashley, Lunna Lopes, Bryan Wu, and Mollyann Brodie, *KFF Health Tracking Poll – February 2019: Prescription Drugs*, March 1, 2019.

Appendix A

Consumer Drug Price Savings at International Online Pharmacies vs. U.S. Retail Pharmacies

34 Products Reported on by House Ways and Means Committee in “A Painful Pill to Swallow: U.S. vs. International Prescription Drug Prices”

Drug Name	Strength	Quantity	Average US Retail Price	Lowest Int'l Online Pharmacy Price	Lowest Canadian Pharmacy Price	Potential Average Savings: International vs. US
Advair Diskus	250/50 mcg	1 inhaler	\$414.45	\$39.99	\$129.99	90%
Afinitor	10mg	30 pills	\$19,793.47	\$3,399.99	\$5,839.99	83%
Amitiza	24 mcg	28 pills	\$229.69	\$122.95	N/A	46%
Atripla	600/200/300 mg	30 pills	\$3,391.38	\$1,309.95	\$1,419.99	61%
Brilinta	90 mg	14 pills	\$107.46	\$34.99	\$139.99	67%
Daklinza	60 mg	28 pills	\$21,470.00	\$10,924.99	N/A	49%
Effient	10 mg	28 pills	\$590.20	\$73.99	\$78.99	87%
Eliquis	5 mg	60 pills	\$556.15	\$73.89	\$138.48	87%
Genvoya	150/150/200/10 mg	30 pills	\$3,540.60	\$1,338.90	\$1,698.35	62%
Gilenya	0.5 mg	28 pills	\$8,459.33	\$2,650.00	\$2,799.99	69%
Harvoni	90/400 mg	28 pills	\$32,570.70	\$16,510.00	\$25,999.00	49%
Invokana	300 mg	30 pills	\$614.04	\$103.99	\$119.98	83%
Isentress	400 mg	60 pills	\$1,835.92	\$266.99	\$1,024.65	85%
Janumet	50/1000 mg	30 pills	\$289.00	\$31.99	\$134.99	89%
Januvia	100 mg	28 pills	\$565.70	\$43.99	\$128.98	92%
Multaq	400 mg	30 pills	\$814.38	\$110.00	\$169.99	86%
Onglyza	5 mg	28 pills	\$379.34	\$51.99	\$119.99	86%
Pradaxa	150 mg	60 pills	\$417.97	\$73.35	\$141.98	82%
Prezista	600 mg	60 pills	\$881.70	\$481.99	\$1,230.67	45%

Ranexa	500 mg	60 pills	\$365.22	\$134.99	N/A	63%
Reyataz	300 mg	60 pills	\$1,839.41	\$704.99	\$799.99	62%
Sensipar	30 mg	28 pills	\$993.04	\$222.99	\$429.11	78%
Sovaldi	400 mg	28 pills	\$31,215.62	\$21,121.99	\$22,663.50	32%
Sprycel	50 mg	60 pills	\$16,313.64	\$3,289.99	\$5,646.61	80%
Stribild	150/150/200/300 mg	30 pills	\$3,727.69	\$1,210.00	\$1,811.73	68%
Tasigna	200 mg	112 pills	\$15,137.21	\$3,599.99	\$5,159.98	76%
Tivicay	50 mg	30 pills	\$2,108.97	\$713.74	\$713.74	66%
Tradjenta	5 mg	28 pills	\$377.77	\$87.33	\$104.98	77%
Triumeq	600/50/300 mg	30 pills	\$3,456.17	\$1,258.88	\$1,618.66	64%
Uloric	80 mg	84 pills	\$1,173.70	\$381.15	\$66.98	68%
Xarelto	20 mg	28 pills	\$553.65	\$52.89	\$299.98	90%
Xeljanz	5 mg	56 pills	\$4,370.14	\$739.99	\$1,813.34	83%
Xifaxan	550 mg	12 pills	\$520.12	\$163.74	\$163.74	69%
Zytiga	250 mg	120 pills	\$12,498.10	\$3,811.50	\$3,999.98	70%
						Average Savings: 72%

Price data collected October 2019. U.S. prices based on the “average retail price” listed on GoodRx.com; Canadian and other international online pharmacy prices are the lowest prices listed on PharmacyChecker.com from licensed pharmacies that sell to Americans and are accredited in the [PharmacyChecker Verification Program](#).

Methodology

To pick a drug strength and quantity, researchers recorded the first result in a search on www.pharmacychecker.com. GoodRx data was used to identify average U.S. sales prices. PharmacyChecker data was used to identify international online pharmacy prices. International online pharmacy prices are those available in any of the following countries: Australia, Canada, India, New Zealand, United Kingdom or Turkey. Canadian prices are those found from pharmacies located only in Canada (with no dispensing pharmacies elsewhere).

Appendix B

Brand-name Drug Prices at Accredited International Online Pharmacies vs. U.S. Pharmacies

10 Commonly Prescribed Brand Name Drugs Without Generic Availability

(Price per Pill/Unit)

Brand Drug Strength	U.S. Price (with discount card)	Canadian Pharmacy Price (with shipping)	International Pharmacy Price (with shipping)	Canadian Pharmacy Savings	International Online Pharmacy Savings
Xarelto 20 mg	\$15.51	\$3.33	\$1.68	79%	89%
Januvia 50 mg	\$15.62	\$3.79	\$0.83	76%	95%
Eliquis 5 mg	\$7.69	\$2.19	\$1.05	72%	86%
Spiriva 18 mcg	\$14.88	\$2.66	\$0.82	82%	94%
Bystolic 5 mg	\$5.00	\$1.70	\$0.49	66%	90%
Vesicare 5 mg	\$13.36	\$2.09	\$1.14	84%	91%
Janumet 50 - 1000 mg	\$7.81	\$2.13	\$0.72	73%	91%
Symbicort 160 - 4.5 mcg	\$331.30*	\$91.25**	\$27.09**	65%	92%
Invokana 300 mg	\$17.11	\$3.48	\$2.56	80%	85%
Trijenta 5 mg	\$15.11	\$3.26	\$1.50	78%	90%
AVERAGE SAVINGS:				75%	90%

Sources:

- Ten brand-name drugs without U.S. generic availability from [ClinCalc DrugStats Database version 19.1](#).
- Discounted pricing using [PharmacyChecker Discount Card](#) in ZIP code 10605 in June 2019, except for one product (*) priced with discount using GoodRx. • Price per pill or unit (Quantity: 1) as of June 2019. • Canadian Pharmacy Price (with shipping) of Symbicort (**) reflects the price of one 200 - 6 mcg inhaler. Patients should consult their clinician to see if a change of prescription would benefit them considering the potential savings.
- Canadian and other international pricing includes shipping to U.S. from PharmacyChecker-accredited online pharmacies.