

August 17, 2004

Illinois to Help Residents Buy Drugs From Canada, and Afar

By MONICA DAVEY

CHICAGO, Aug. 16 - Opening a new front in the fight over the cost of prescription drugs, Gov. Rod R. Blagojevich of Illinois is preparing to help residents of his state buy cheaper medicines from Britain and Ireland, as well as Canada.

Aides to Mr. Blagojevich, a Democrat, said he would announce on Tuesday that Illinois would create a program, accessible on the Internet, so people could buy 100 of the most common drugs for 25 percent to 50 percent less than in most American drugstores.

Federal authorities say it is illegal to buy drugs from outside the United States, but since early this year, officials in at least four other states - Minnesota, New Hampshire, North Dakota and Wisconsin - have set up Web sites that link residents to Canadian pharmacies. Expanding the market to Britain and Ireland, Mr. Blagojevich's aides said, will spread demand beyond Canada, where some suppliers have reported shortages of certain drugs.

"The drug companies have pretty aggressively been shutting supplies to Canada, and we want to ensure that the supply will meet the demand," Abby Ottenhoff, a spokeswoman for Mr. Blagojevich, said. "Ultimately, they can't shut down supplies to the world to keep prices high in the United States."

William K. Hubbard, an associate commissioner for the Food and Drug Administration, said Mr. Blagojevich's plan "sounds like yet another expansion of an effort to import unapproved drugs from foreign countries that will be illegal under U.S. law and will raise serious concerns on the part of the F.D.A."

The notion that Illinois was reaching even beyond Canada, Mr. Hubbard said, made matters worse. "The more they go into other countries, the more concerns we have," he said.

Illinois' move is the latest in what has become a political and economic standoff over how Americans buy their drugs: the F.D.A. and drug companies contend that medications

from other countries may be counterfeit, mislabeled or otherwise unsafe, while a growing number of local and state officials argue that their residents must be allowed to buy the least expensive drugs.

Illinois plans to contract with a Canadian company to create a clearinghouse of more than 35 approved pharmacies and wholesalers in Canada, Ireland and Britain. The state hopes to first reach the estimated 2.8 million Illinois residents who have no prescription drug coverage. If only 100,000 of them bought drugs through the clearinghouse, they would save as much as \$29 million a year, Ms. Ottenhoff said.

Wanda Moebius, a spokeswoman for the Pharmaceutical Research and Manufacturers of America, which represents drug makers, said Illinois would not be able to guarantee that drugs said to be from Britain or Ireland really came from there. "We have serious safety concerns," Ms. Moebius said.

The Illinois program is designed for state residents only. Customers will have to provide billing and shipping addresses in the state.

Minnesota, the first state to start a Web site, in late January, had 117,000 visitors to its site by the end of July. Other states are using different methods to press for change. Vermont authorities have announced that they plan to sue the F.D.A. for rejecting their plan to bring Canadian drugs to their residents.

"On this issue, you can see the waves lapping up at the fortress," said Gary C. Hufbauer, a senior fellow at the Institute for International Economics. "The question is, What will they do about these waves?"

The F.D.A. considers it illegal to buy drugs, or cause the sale of drugs, from other countries, but so far the agency has not taken legal action against states with Web sites that help people get drugs from abroad.

Mr. Hubbard said he could not say whether the agency might take legal action against Illinois because he had not seen details of its plan.