



**March 22, 2021**  
**House Industry, Business, and Labor Committee**  
**SB 2170**  
**Rx Drug Importation**  
**Kathi Schwan, Volunteer State President**  
**AARP North Dakota**

Chair Lefor and members of the House Industry, Business, and Labor Committee:

My name is Kathi Schwan. I serve as the Volunteer State President, for AARP North Dakota. I live in West Fargo and have been involved in AARP for several years after retirement, and before my current two terms as President. It has provided me a unique exposure to the health and financial challenges of the 50+, in nearly every corner of ND.

I appreciate your time today and look forward to talking with you about an issue that is crucial to our members. This is a topic you've already heard they are passionate about, during the first half of the Legislative Session. We support efforts to reduce the cost of prescription drugs.

Increasing drug prices hit older North Dakotans particularly hard. Most Medicare beneficiaries live on very modest incomes. A Kaiser Foundation study from 2016 shows the **median income for Medicare recipients is just over \$26,000** – and a quarter of the population hover closer to \$15,000. They also have very little savings. Half the Medicare population has less than \$75,000 in savings. Their ability to absorb increasingly expensive prescription drugs is nearly impossible. Many people we have talked with recently tell us they have to make difficult decisions about how to live because of the price of those drugs. We hear from seniors who either cut back, or cannot fill a prescribed drug due to cost.

There is much discussion about the low cost of drugs in Canada. We are familiar with the Canadian reputation for safety standards. However, many ND snowbirds fly to Arizona in the winter, and while they're close to the border, search for the services or items Medicare covers poorly: such as dental care and medication. Most seniors know someone who makes that trip at least annually and can bring back for themselves or others what is needed. On any given day, you'll find many North Dakotans in the city of Los Algodones, just 5 miles south of Yuma. You can tell by the Bison t-shirts and the traditional high-fives you give when you see another North Dakotan. The discounted prices for pharmaceuticals in Los Algodones are incredible, and the many large pharmacies that sell this inventory is both professional and impressive. *You may ask, why would one risk taking a prescription drug sold in Mexico? Is it far riskier to take it? Or to not take it at all? I can tell you from personal experience, there are many North Dakotans willing to take that risk because North Dakota offers few options. Those who go to Mexico, also bring along a shopping list to help friends and neighbors who need the drugs---but can't make the trip. Mexican vendors are so familiar with North Dakotans, they sell NDSU and UND merchandise in their gift shops.*

I'm not just someone passing this story along. I've been there, and done this----many times.

- For example, why pay \$168 for a tube of Retina-A for your skin cancer, when you can get two tubes for \$2.50 in Mexico?
- Or \$300 for a single, tiny 30-drop bottle of Restasis eye drops for dry eye disease, when you can pick up a 6-month supply for \$25?
- How about 1 carton of 5 flex pens of Novolog insulin for \$30 instead of \$250? This item is among the most popular requests.

Most products in demand by snowbirds are manufactured in the US by Merck or Johnson & Johnson in these Mexican pharmacies. This isn't the only location, as I've been in the Costco store in Cabo San Lucas. They do a significant business in their pharmacy, where prescriptions aren't required. They readily point out the US manufacturers. One is allowed to bring back a 6-mo supply.

Now, we know States can't solve this problem alone. But there are some changes that can be made and we appreciate this committee's willingness to bring this issue to the forefront. This issue is relevant not only to the thousands of individual North Dakotans fighting disease, but it also affects those paying for health coverage and to the State. Spending increases which are driven by escalating drug prices, are passed along to everyone with health insurance coverage in the form of higher premiums, and deductibles. It increases costs for taxpayer-funded programs too – making this a relevant issue for every North Dakotan whether they are taking prescription medicine or not.

Thank you again for your thoughtful work on this issue. AARP wholeheartedly appreciates any effort to make medicine more affordable. SB 2170 is a step in the right direction and we look forward to working with you to make it the best possible bill for North Dakotans.

Thank you,

Kathi Schwan