

January 16, 2023

**Chair Lee and Members of the Senate Human Services  
Committee,**

My name is Kathi Schwan, Volunteer State President, for AARP North Dakota. I live in West Fargo. The last 6 years as Volunteer State President has provided me a unique understanding of the needs of the 50+ in every corner of ND. In our listening tour, members and non-members have made it clear: **there is one major issue we must resolve: the high cost of prescription drugs.**

I appreciate your time today and look forward to sharing with you statistical and personal observations on this topic. It is crucial to our population and one that you have already heard about during the last session and during the interim. I know you are also receiving emails and post cards from older residents in your district in support of efforts to lower prescription drugs. In addition, we launched a petition in December of 2022 and in

one month we collected over 320 online signatures of those impacted by the high price of prescription drugs. **They want you to hear them. And we want you to hear them. That is why I am here today.**

AARP is a non-partisan, non-profit, nationwide organization with thirty-eight million members. **83,000 of those members live in North Dakota.** Many issues touch older Americans and their ability to live safe, independent, and healthy lives. Most of our work fits into three areas; helping people choose where they live, to remain financially secure, and to access affordable health care.

I personally assist seniors with forms like homestead renter's rebates, Affordable Connectivity Program forms, Social Security, Medicare, Medicaid, Section 8, take them to the Food Pantry. I know what their income is and what it takes to lower their expenses to pay for what they need to live: medications. You have no idea the stress they endure to try to make the

choice whether they fill a prescription, skip doses, or cannot afford to take it at all.

During **the Interim Health Care Committee and Employee Benefits Committee** meetings, we offered similar testimony in support of the prescription drug reference rate pilot program- the same bill draft that your committee - is considering today. On September 15, 2022, the interim Health Care committee approved and recommended that the prescription drug reference rate pilot program to the Legislative Management by a vote of 13-2 and on December 13, 2022, the Employee Benefits reviewed the bill as well.

Increasing drug prices do not just impact Medicare beneficiaries, **it impacts all North Dakotans, especially those age 50 and older.** We have all been sensitive to the increasing cost of daily necessities such as a dozen eggs, a gallon of gas, or a loaf of bread. But a 2021 AARP survey found that many Americans find these costs pale in comparison if

those basic needs rose in price as much as commonly prescribed prescription drugs. You can survive without that loaf of bread, but not filling a lifesaving prescription medication or cutting your dose in half can have significant consequences. This is a dire choice many North Dakotans must face every day, with the cost of prescription drugs.

According to the **July 2022 Data Book published by Medpac**, the organization that advises Congress on Medicare issues, the average older American takes between four and five prescription drugs per month, typically on a chronic basis. And in the US, prices for top brand name drugs are three times higher than Canadian prices. (*U.S. Government Accountability Office Report to the Chairman, Committee on the Budget, U.S. Senate March 2021*).

In a new analysis published in The Journal of the American Medical Association, the average prices for newly marketed prescription drugs in the United States grew by 20% per year

from 2008 to 2021, a tenfold increase in just over a decade. In 2020 and 2021, half of new drugs were priced at more than \$150,000 per year, compared with fewer than 10% of drugs introduced at this price level in 2008.

Your committee and the Senate have an opportunity this session to take the first step in telling your constituents, that you hear them, and want to address the unaffordable cost of prescription drugs.

With SB 2031, the ND Public Employees Retirement System (ND PERS) Prescription Drug Pilot Program, international reference pricing would allow North Dakota to import more **affordable drug payment rates** from Canada as an alternative to importing actual drugs. If the pilot is successful, this could expand to other payers statewide ensuring that thousands of North Dakotans can afford lifesaving medications.

While opponents tell us that high drug prices is just the price we pay for research and development to keep future patients alive, what about keeping existing patients alive? Drugs already on the market—right now--will not work if the patient cannot afford to fill the prescription. In the US, why do we pay higher prices than the rest of the world for the exact same prescription drugs made in America? All available evidence indicates that drug companies' pricing decisions prioritize revenue and profits over patients. (Washington Post from 12/10/21)

As I have testified to other legislative committees, I wanted to see for myself and compare American made medications over the border that ND snowbirds have talked about for years. A local pharmacist gave me a commonly prescribed list to check out. Once in Arizona, just south of Yuma, is a small Mexican city called Los Algodones. There are a couple hundred dentists there since most snowbirds do not have dental insurance at a time in their life where they need it the most.

But they also need prescription medication, also at a time in their life where they need it the most. Why pay \$168 for a single tube of Retina-A for your skin cancer, when you can get two tubes for \$2.50 in Mexico? **It's American made, of course.**

What would you think it would cost for a 30-drop/30-day supply of Restasis dry eye drops, needed by many older adults? In Mexico, these American made drops will set you back \$25 for a 6-month supply. **Originally, I testified months ago you would pay \$300 for a 1 month supply. Restasis has *now more than doubled to \$645.53 for 1 month supply.*** That is more than my 72-year sister gets monthly from Social Security!

On the Restasis website, manufacturer, Allergan, boasts that they will provide a limited number of months for free if you qualify. But you DO NOT QUALIFY if you are on **Medicare, Medicare Advantage, Medigap, Medicaid, Tri-Care, Dept of Defense, or Veteran's programs.** This offer also is not available

**to cash paying patients. Obviously, finding those who qualify is not their priority.**

I have also testified before that the knowledge of the price variances in Los Algodones is so well known by ND snowbirds that you can buy Bison and UND merchandise in their gift shops. You pass North Dakotans on the street there or in the coffee shops wearing Bison t-shirts. Horns up!

We also know of the stories of folks taking buses or using mail order pharmacies in Canada to obtain lifesaving medications. Some of you may recall testimony from a former state employee named Roger from the last session. He told his story about how he nearly lost his life to leukemia when he could not afford the cost of the medicine. The cost was \$2,400 a month, or almost \$30,000 a year. Roger is alive today because he found a Canadian mail order pharmacy who provides his needed medication at a price he can afford.

It is shameful that North Dakotans must turn to foreign countries on their own to find affordable prices on life-saving drugs at the very time in their lives they need them the most. They need you during this session to recognize the importance of this bill.

Staying healthy, and in some cases---staying alive---should not bankrupt the good people of this state. I am grateful to North Dakota legislators who are working on this issue. Prescription drug costs are the top concern of North Dakotans over fifty. ***I am asking that your Committee and the Senate champion this crucial step, by passing SB 2031.***

Thank you.