

PERSPECTIVE

Promoting Health Care Transparency and Competition



RX For High Drug Costs

Number 2004-01

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Kentucky is in a health care crisis. This is a national problem and many factors are out of the control of our State Government. Few insurance companies are left in the State, most all were driven out in the early 90's with the passage of Health Care Bill 250. Health insurance premiums in Kentucky and nationally have risen sharply as competition between companies has decreased. Private health insurance is out of reach of many citizens in Kentucky.

One, but not the only, main factors causing the soaring health care costs in Kentucky Health Care is the cost of prescription drugs. This factor has three components: The high number of prescription drugs prescribed to each patient in Kentucky, the over prescription of expensive new drugs when less expensive alternatives exist, and finally the high cost of prescriptions paid in the United States as compared to other countries.

The solution to the last component seems the easiest. One may ask "Why not obtain a federal waiver to purchase prescription drugs from Canada?" Many States are doing this. This may be a good solution for the individual but not for society. One must remember that Canada has a population that is under 32 million compared to 293 million in the United States. Canadians also become sick and one can easily

over prescription drugs available to supply the United States. The pharmaceutical corporations are unlikely to ship more prescription drugs to be resold cheaply to the United States. Designer or counterfeit drugs are already starting to appear on the internet and obtaining prescription drugs on-line is not monitored by the FDA and thus at best is a risky practice. If Canada had a 20% surplus of drugs which could be shipped to the US, it would only meet 2% of our needs. This idea will not work and the prescription drug problem needs to be addressed directly.

Trying to solve our health insurance problems by importing drugs from Canada is similar to trying to deal with a drought by importing cheap water from Saudi Arabia. It may be cheap but there is not enough of it to make a huge difference.

Placing a band aid on the problem will not work. If we do not have a comprehensive solution to this problem premiums will continue to rise and a year from now we find ourselves again in the same crisis we are trying to handle today.

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This Op-Ed is an edited version of an article previously published in the Lexington Herald Leader on Oct. 21, 2004.

Summary

(Total Word Count 410)

There Are Not Enough Drugs to Re-import from Canada to Make a Significant Impact on The United State's Pharmacy Market

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