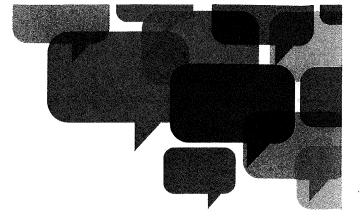


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March 13, 2013

Senator John Patrick Representative Erin Herbig Members of the Labor, Commerce, Research and Economic Development Committee

# RE: Testimony in OPPOSITION to LD 449, An Act To Ensure Consumer Choice in the Purchase of Prescription Drugs

Dear Senator Patrick, Representative Herbig and members of the Labor, Commerce Research and Economic Development Committee:

My name is Curtis Picard. I am the Executive Director of the Retail Association of Maine and a resident of Topsham, Maine. The Retail Association of Maine was founded in 1933. We represent over 400 retailers throughout Maine and our industry employs approximately 90,000 Mainers. A segment of our membership includes both chain and independent pharmacies and a number of these pharmacies also operate registered mail order pharmacies. LD 449 has an impact on our pharmacy members and I am here today to testify in strong opposition to the bill.

I will not recreate my testimony from a similar bill, LD 171. We provided extensive testimony and our concern with LD 171 is the same concern we have for LD 449.

In my testimony for LD 171, we provided:

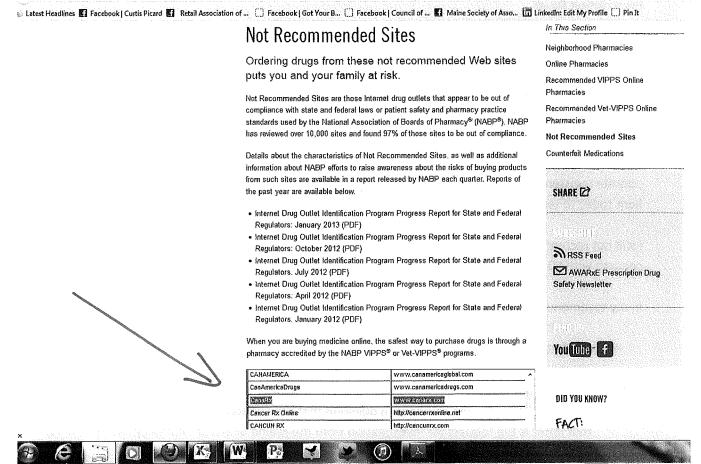
- Our letter, dated May 30, 2012, to the Maine Board of Pharmacy requesting examination of the international mail order pharmacy in question.
- A copy of the letter from Attorney General Bill Schneider dated June 21, 2012 to the legal counsel for CanaRx, the company in question that precipitated this legislation. Included with that letter is the request for investigation from the Maine Board of Pharmacy dated June 11, 2012.
- A copy of the application for Mail Order Pharmacies to be licensed by the State of Maine from http://www.maine.gov/pfr/professionallicensing/professions/pharmacy/pdf/PHM%20-%20Mail%20Order%20Pharm.pdf
- A copy of the names of the 483 current mail order pharmacies licensed by the State of Maine.

Additionally, I am attaching the letter from the Assistant Attorney General Carrie Carney regarding the issue at hand.

These international mail order pharmacies are not permitted by the US Food and Drug Administration and LD 449 looks to circumvent the federal regulations. We believe this would open the door to unapproved, substandard and possibly counterfeit drugs.

The National Association of Boards of Pharmacy (NABP) has reviewed more than 10,000 Web sites and the vast majority of sites (97%) were found to be operating out of compliance with US pharmacy laws and are listed as **Not Recommended** on NABP's consumer protection Web site, <u>www.AWARErx.org</u>, specifically: <u>http://www.awarerx.org/get-informed/safe-acquisition/not-recommended-sites</u>. **CanaRx is listed on this site.** 

🐐 🛞 www.awarem.org/get-informed/cafe-acquisition/not-recommended-sites



The 9,938 Internet drug outlets currently listed as Not Recommended are characterized as follows:

4,839 offer foreign or non-Food and Drug Administration-approved drugs

- 8,701 do not require a valid prescription
- 2,302 have a physical address located outside of the US (most rogue sites post no address whatsoever)
- 1,121 dispense controlled substances

The bottom line is both safety and the law. The reason the State of Maine has a Board of Pharmacy, a Board of Medicine and a Board of Dentistry is to ensure standards are met and that providers of health care services are properly licensed to provide safe, dependable health care to the people of Maine. Maine pharmacies and Maine pharmacists undergo rigorous licensing regulations from both federal and state regulators – rules that every pharmacy in Maine and every pharmacist in Maine must comply.

These are necessary checks to ensure public safety through the licensing process. Pharmaceuticals in the United States have a chain of command to track when and where it was manufactured so that in the event of an incident or adverse reaction, the issue can be addressed swiftly.

We appreciate that proponents are stating that there are no known adverse impacts from the program to date. Our question is: If there was an adverse reaction, how would they know? Would a city employee report a medication issue to their employer or human resources contact? And if the situation is that the medication is not effective, how would you know if it was because of the medication or if it was because the medication was not formulated correctly? We are also concerned that CanaRx's own website states that, "Although the drugs you receive may look slightly different or have a different name than the one you are used to, for all intents and purposes they are identical."

These issues are far from simple. We are not aware of any state that has allowed brokers like CanaRx to legally operate in the US. We feel that LD 449 would be in violation of federal regulations. We urge the committee to vote LD 171 Ought Not to Pass.

Sincerely,

Curtis Picard, CAE Executive Director

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William J. Schneider

ATTORNEY GENERAL

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## MEMORANDUM

TO: Maine Board of Pharmacy

FROM: Carrie L. Carney, Assistant Attorney General

DATE: June 6, 2012

SUBJECT: CanaRx

This Memorandum summarizes the assumed facts and outlines the key legal issues that the Board will likely confront when it addresses the concerns raised by pharmacists about the dispensing of prescription drugs in Maine by pharmacies affiliated with the company CanaRx. The assumed facts below represent my understanding of the material facts obtained from my conversations with CanaRx's attorney Joseph Morris and my review of documents submitted by CanaRx as part of its response to the State of Maine's Request for Proposals for Voluntary International Prescrption Benefit Services.

#### Assumed Facts

- 1. CanaRx is a privately held Canadian company.
- 2. CanaRx purports to act as a broker within a network of international drug manufacturers, physicians, and pharmacies, which network ultimately provides purportedly safe, low-cost, brand name maintenance drugs to CanaRx clients.
- 3. CanaRx clients now include State of Maine employees who execute enrollment forms with CanaRx.
- 4. The drugs dispensed to Maine employees are ultimately provided by "international" pharmacies that "dispense[], package[] and mail[] medications directly to client."
- 5. These international pharmacies do not hold any sort of Maine pharmacy license.
- 6. The CanaRx program purports to be compliant with FDA laws and regulations.

### Unknown Facts

- 1. The specific international pharmacies that dispense medications to Maine residents.
- 2. What exactly appears on the labels of the dispensed medications.
- 3. Who labels medications prior to dispensing.

- 5. 32 M.R.S. § 13702-A(9) which reads as follows: "Dispense or dispensing. 'Dispense or dispensing' means the preparation and delivery of a prescription drug in a suitable container appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the prescription drug pursuant to a lawful order of a practitioner."
- 6. 32 M.R.S. § 13721(2) which reads as follows: "Reciprocal inspections. The Board may enter into reciprocal inspection agreements with any state in which a mail order prescription facility selling drugs to Maine citizens is located."
- 7. The summary of Chapter 11 of the Board rules which reads as follows: "This chapter sets forth registration requirements for mail order prescription pharmacies..."
- 8. Board rule chapter 11 § 1(H) which reads as follows: "Registration. A mail order prescription pharmacy that dispenses prescription drugs or devices by mail or carrier from a facility not located in this State for a patient who resides in this State shall provide the following information on forms supplied by the Board...(H) [a] copy of the most recent inspection report from the state in which the drug outlet is located..."

#### **Board History**

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In the past few years, the Board has denied licensure and/or disciplined mail order prescription pharmacies that dispensed medications to citizens in Maine without being properly licensed. An example of these cases is as follows:

- Medco Health Solutions of Las Vegas, LLC, 2010-PHA-6655
- Northern New England Benefit Trust, 2010-PHA-6269
- CVS Caremark, 2011-PHA-7234
- Prime Therapeutics LLC, 2011-PHA-7368

At a Board meeting on October 9, 2001, the Board considered a mail order pharmacy application for an entity based in Canada. The Board interpreted the word "state" under the Board's laws and rules to mean "United States, its territories, and districts only."