



Senator Sydney K. Kamlager, District 30

AB 458 – California Affordable Drug Importation Act

IN BRIEF

AB 458 will increase access to safe, affordable prescription drugs by establishing a state-run program to import wholesale pharmaceuticals from Canada and upon federal approval, from additional countries that meet specified statutory or regulatory standards that are comparable to U.S. standards.

72% of Americans are in favor of importing prescription drugs. Recent rules issued by the Trump Administration opened the first pathway for states to import wholesale prescription drugs from Canada by submitting an application to the Health and Human Services secretary. The [Biden Plan](#) goes even further—allowing *individual consumers* to import prescription drugs from other countries. Six states have successfully enacted such programs, and 41 states have introduced legislation to enact their own.

BACKGROUND & PROBLEM

Americans pay the highest prices in the world for prescription drugs. One-third of Americans have skipped filling prescriptions because of the cost. 20 percent of Americans have had trouble paying for food and housing because of the cost of their medication. And almost 10 percent of Americans have imported a prescription drug illegally to get a lower price. Skyrocketing drug costs also drain employers, who are struggling more than ever to provide health insurance to employees and their dependents.

Over the last 3 years, prescription drugs have experienced *double-digit price increases* in the U.S. U.S. drug prices are nearly four times higher than average prices compared to similar countries. American consumers spend 40 percent more on prescriptions per person than Canada and [twice as much](#) as the average major industrialized country, even when accounting for rebates.

In 2019, Canadian officials said that U.S. drug prices were so high that they were skewing the cost of those medicines in Canada, which are informed by prices in several other countries. To protect consumers, Canada [removed the U.S.](#) from that list of countries, and replaced it with countries where drug prices are much

lower, including Japan, the Netherlands, Norway, and Spain.

SOLUTION

Medicines don't save lives if people can't afford them. In light of the COVID-19 pandemic and its unprecedented impact on the economy, the state's efforts to rein in prescription drug costs are more important than ever. Prescription drug importation is a powerful tool to address the burden that high drug costs pose to the state and to patients.

AB 458 directs the Department of Health and Human Services (DHHS) to develop and implement a prescription drug wholesale importation program to allow for the importation of safe, affordable drugs from Canada. AB 458 allows for the expansion of the Canadian drug importation program to include prescription drug suppliers from other major nations upon the enactment of legislation by the US Congress authorizing such practice.

In addition to lowering drug costs, this bill ensures that the drugs imported into California are safe and effective. Many of the manufacturers producing these drugs have already been approved by the FDA to sell pharmaceuticals on the US market, and currently, at least 40 percent of the prescription drugs used in the U.S. [are manufactured abroad](#) and considered safe.

DHHS will establish eligibility criteria for the types of drugs that may be imported. Eligible drugs are those that will result in the greatest cost-savings, such as expensive specialty and rare disease drugs. Health insurers, Medicare, Medi-Cal, and most importantly, patients, will benefit from this bill, and California must act on their behalf.

SUPPORT

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Californians for Disability Rights
California Health Advocates
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Prescription Justice
Social Security Works
Health Access CA

Justice in Aging
Universities Allied for Essential Medicines

FOR MORE INFORMATION

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