
The opportunity cost of importing prescription drugs in the USA

Introduction

The FDA has certainly faced its share of controversy since its inception as an official governmental agency tasked with the approval and regulation of everything from ground beef to pharmaceuticals. One of the more recent controversies surrounds the question of whether the FDA should regulate (or completely ban) the importation of prescription drugs into the United States. The FDA already regulates the ability of U.S. pharmaceutical companies to bring drugs to market. The regulation of importation of prescription drugs would certainly extend their powers, but could also go a long ways in protecting the health and safety of the U.S. general public. Generally, the argument for the regulation of prescription drug importation is based on economics, while the argument against a ban on importation is in the interest of individual rights. Both arguments are centered on the question of public good, and ultimately I find that the FDA should regulate prescription drug importation in order to best protect the economic interests of our country.

Pros & Cons

While there is certainly a market for pharmaceuticals manufactured outside of the United States, the biggest reason for importation of prescription drugs is actually the re-importation of drugs manufactured in the United States but sold at a lower price in other countries. The main argument against letting the FDA regulate this importation is that it is in the interest of individual citizens to be able to purchase these prescribed drugs at lower prices. As one article summarizes, the effort for allowing the importation of prescription drugs has “bi-partisan support as well as backing from many members of the business community for the simple reason that there is money to be saved” (Silverman, 2013, n.p.). With tongue in cheek, the article concludes that the push for importing prescription drugs from foreign countries is reflects “ongoing populist sentiment that prescription drug prices are out of reach for many” (Silverman, 2013, n.p.). Therefore, it is apparent that the main argument in favor of importing prescription drugs is based on the individual interests of the U.S. consumer. This is a sort of libertarian view, which explains the bipartisan support.

In contrast, the argument against the importation of foreign prescription drugs and in favor of FDA regulation is based on the overall economic impact that these imported drugs would have in the long term. As one report from the Heritage Foundation states, allowing the importation of drugs is simply a “quick fix” for the United States, and could actually be detrimental in the long run (Owcharenko, 2004, n.p.). For instance, the report states that “Economists, both liberal and conservative, agree that drug prices will not drop in the United States as much as they will rise abroad,” which could translate into huge policy changes in many countries, as well as an adverse economic effect on poorer countries (Owcharenko, 2004, n.p.). This argument is supplemented by the apparent fact that the United States is one of the only countries in which drugs are traded freely; this means that other governments could raise prices significantly. The final aspect of an argument in favor of FDA regulation is that importation means less safe

prescription drugs in the United States. As the FDA itself states, the agency “cannot ensure the safety and effectiveness of products that are not FDA-approved and come from unknown sources and foreign locations” (FDA, 2016, n.p.). Since this is a major prerogative of the FDA, many policymakers and members of the administration are hesitant to allow importation, to say the least.

Conclusion

The above discussion makes it clear that the question of importing non-FDA approved prescription drugs into the United States is a question of cost and benefit, as well as a question of the public good. The argument in favor of importation is largely focused on the benefit to individuals who may not be able to afford the prescriptions they need otherwise, while the argument against is focused on the cost that these imported drugs could have on the economy and even public health. Therefore, both arguments purport to be espousing the public. However, it is apparent that the potential economic cost of non-regulation outweighs the individual benefit afford by importation.

eduzaurus.com