



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. Box 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO: COMMITTEE ON EXECUTIVE MATTERS AND LEGAL AFFAIRS

Romy M. Cachola, Chair

Breene Harimoto, Vice-Chair

DATE: TUESDAY, JULY 24, 2012

TIME: 1:00 p.m.

PLACE: COMMITTEE MEETING ROOM

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

RE: RESOLUTION 12-179 – HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE PROPOSAL THAT REQUIRES A PRESCRIPTION TO
PURCHASE ANY PRODUCT THAT CONTAINS PSEUDOEPHEDRINE

Chair, Vice Chair & Committee Members:

In opposition.

We estimate that upwards to 100,000 citizens and tourists in Hawaii would be required to visit a doctor if a prescription were required to purchase pseudoephedrine products. **This would exacerbate current provider shortages through resulting physician office visits.**

We estimate sales of pseudoephedrine in Hawaii to be around 250,000 packages.

Most meth is imported into the U.S. as a finished product. Approximately 20% is sourced from the U.S., with 80% from “superlabs” and less than 20% from small labs.

Electronic Tracking of PSE Sales Presents a Real Solution for Combating Meth Abuse.

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E-logs provide real-time approval or denial of PSE purchases at the point-of-sale, creating no access barriers for the 18 million American households that purchase non-prescription cold and allergy medicines to treat their symptoms.

The Hawaii State Legislature passed legislation enacting electronic tracking of PSE sales in the 2012 Legislative Session.

E-logs enable law enforcement to track real-time activity and search histories, thus identifying “smurfing” operations and labs that might otherwise go undetected. For example, electronic tracking led to 70% of meth lab busts in key Kentucky counties, and reduced illegal sales by more than 90% in a Florida pilot. Nationwide, the NPLEx system blocked over 850,000 boxes, accounting for over 2 million grams of pseudoephedrine in 2011 alone.

A prescription-only policy would fail to limit PSE sales, curb meth use, or enable meth lab detection. **In fact, Oregon (a prescription only state) had more meth related deaths in 2010 than they did prior to their Rx law passage.** And Mississippi, another Rx state, ranked 10th in the country in meth labs just last year – more than Texas, Florida, New York, and California!

Law enforcement officials have testified before members of Congress about the effectiveness of e-logs, and communicated their concerns that a prescription-only policy would fail to limit PSE sales or enable meth lab detection.

E-tracking can also be combined with a state’s meth conviction records. Oklahoma became the first state to enact a law prohibiting sales of PSE to individuals with meth convictions. State officials used their tracking system to identify individuals who had been blocked from making illegal pseudoephedrine purchases and discovered that as many as 60 percent of those being blocked had prior criminal records, many for drug charges. Now Oklahoma will deny any sales of pseudoephedrine to those individuals, even within otherwise legal quantity limits.

Hawaii just passed the most effective solution to PSE crimes. Please give it a chance to work.

What is the Downside of Rx pseudoephedrine?

Unfortunately, reducing or cutting off supply does not guarantee a reduction in demand or use. Mexico, for example, banned pseudoephedrine nearly three years ago. Yet the country is once again the “primary source of methamphetamine” in the U.S., according to the Justice Department’s National Drug Intelligence Center’s 2010 threat assessment. In fact, Oklahoma estimates that 70 percent of the meth in their state is from Mexico, in a potent, smokeable form called “ice.”

Despite extreme actions taken by the Mexican government, drug traffickers and meth

cooks have simply found alternative ingredients to use, such as phenylacetic acid, or they illegally smuggle pseudoephedrine to keep meth production viable and profitable.

What is the cost to consumers and taxpayers?

- If only half of the estimated 16 million Americans who use pseudoephedrine each year went to a doctor once a year to obtain a prescription for pseudoephedrine, this would **add three quarters of a billion dollars in healthcare costs** for office visits alone.
- Restricting access to pseudoephedrine products would also decrease sales tax revenues in many states, as over-the-counter medications are subject to sales tax while prescription medications are not.
- Medicaid programs and state employee health and retiree insurance plans would likely face an average of \$11.5 million in added costs for increased provider visits and provision of prescription pseudoephedrine.

Thank you for the opportunity to provide this testimony.