



## Proposed Bill would raise Costs for Uninsured Nevadans by 850%

### Retail Association of Nevada Opposes Bill Requiring Prescriptions for Common Cold and Allergy Medications

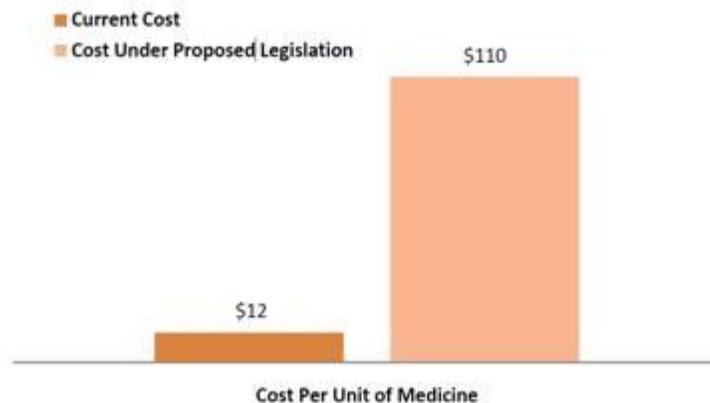
The Retail Association of Nevada (RAN) is opposing proposed legislation that would require Nevadans to obtain a doctor's prescription to purchase certain over-the-counter cold, cough and allergy medications. If passed, RAN noted that such legislation would (1) significantly increase costs for Nevadans who need such medications (2) increase the state's budget gap because of lower tax revenues and higher Medicaid expenses, and (3) do nothing to curb methamphetamine (meth) abuse in Nevada.

The bill, which was introduced this session, would apply to any cold, cough and allergy medications that contain pseudoephedrine (PSE). Currently, these products are sold in Nevada on a non-prescription basis, though buyers must obtain the medication from the pharmacy, sign a log book at the time of purchase, and show valid pictured identification. In addition to its legal use as a medication for cold and allergy symptoms, pseudoephedrine can be used in the illegal production of methamphetamine (meth).

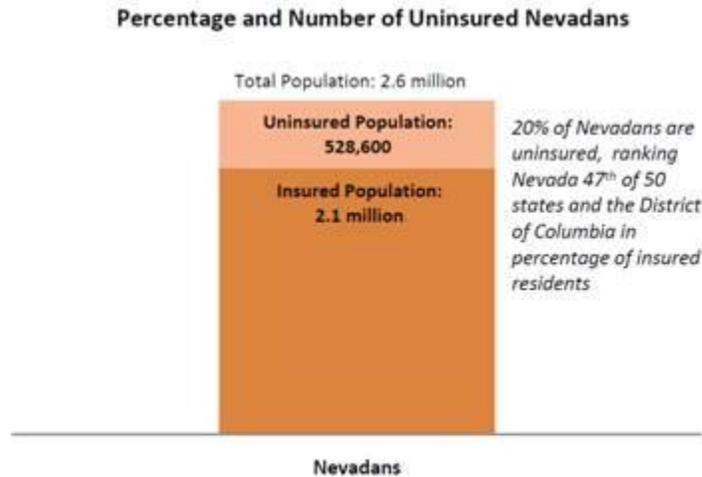
### Costs associated with this proposed legislation

As over-the-counter medications, products containing PSE are subject to the Nevada sales tax; prescription drugs are not taxable. Therefore, if this measure passed, the state would lose sales tax revenues. Additionally, Medicaid expenses could rise as patients with colds and allergies were required to go to the doctor to obtain relief.

Estimated Change in Cost of Medicine Containing PSE for an Uninsured Patient



The impact on uninsured Nevadans is even more dramatic than the expected cost to the state. Currently, according to RAN, Nevadans who purchase cold, cough and allergy medications containing PSE pay approximately \$11.50 per package. Approximately 600,000 Nevadans are without health insurance and their cost to obtain such medications will increase to as much as \$110, an increase of 850%. This figure is based on a conservative estimate of \$100 for an uninsured Nevadan to visit a doctor.



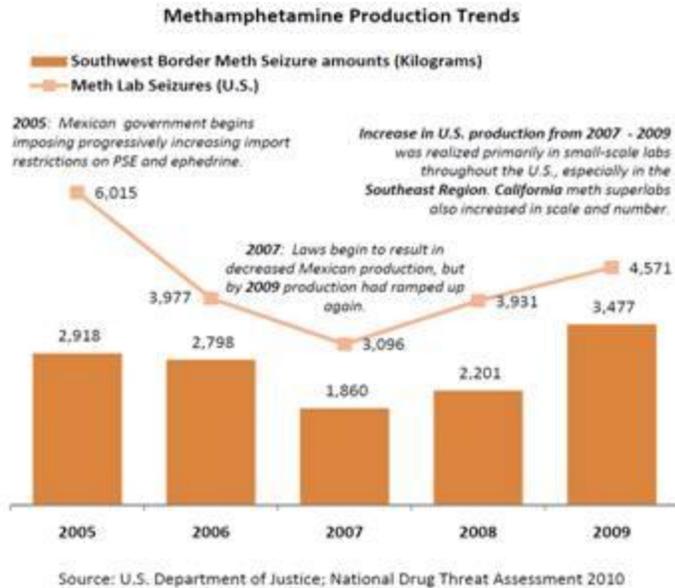
Source: Kaiser Family Foundation, State Health Facts, Health Insurance Coverage of the Total Population, States (2008-2009), U.S. (2009)

Mary Lau, president of RAN, also noted that this legislation would carry intangible costs as well, including time spent obtaining cold and allergy care. “We also expect more crowded waiting rooms at doctors’ offices and longer waits for an appointment as doctors need to see patients who would normally simply buy needed medication for colds and allergies at the store,” Lau said.

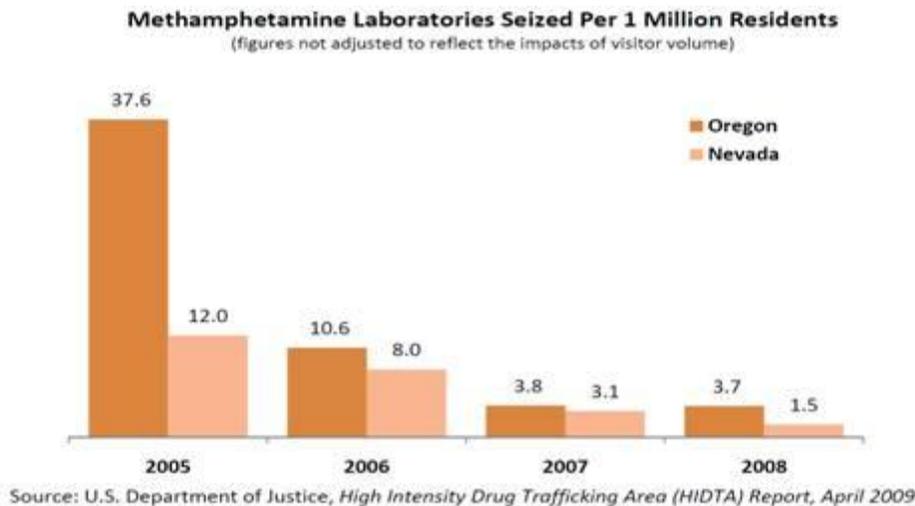
### **Legislation will not reduce meth supplies in Nevada**

Lau cited an Applied Analysis report that indicates the effectiveness of similar programs is uncertain, at best. Only two states, Oregon and Mississippi, have enacted a similar prescription requirement. Mississippi's legislation has been in effect for less than a year and, therefore, cannot be evaluated with any degree of certainty. In Oregon, the legislation took effect in 2006.

The Applied Analysis report compared meth production and availability in Nevada and Oregon using data from the Office of National Drug Control Policy, which is part of the National Drug Intelligence Center with the U.S. Department of Justice. The report notes that Oregon's supply of methamphetamine initially decreased when the prescription-only legislation went into effect. However, by the second quarter of 2008, law enforcement officials reported that methamphetamine availability in the Oregon region had “returned to previously high levels.”



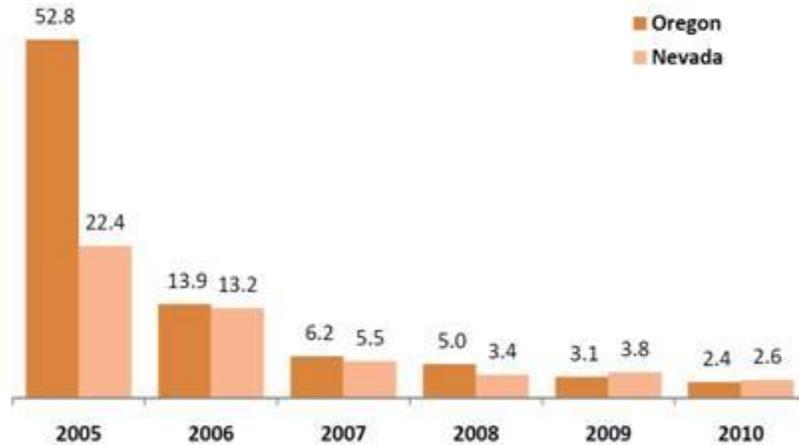
In both Nevada and Oregon, little methamphetamine is produced locally. Instead, most supplies of methamphetamine are brought into the states from California and Mexico. Although Mexico has banned the import of PSE products, U. S. drug enforcement agencies have determined that Mexico drug trafficking organizations smuggle precursor chemicals into Mexico to produce ice methamphetamine. They also use alternatives to PSE products now to produce meth. In Oregon, according to the Applied Analysis report, officials have noted that local methamphetamine producers in rural areas are now making methamphetamine with anhydrous ammonia, a common crop fertilizer.



Local production of methamphetamine in Nevada declined significantly as a result of legislation enacted in 2001 that restricted retail sales practices. Methamphetamine lab seizures in Nevada decreased 95 percent over the past 7 years from a high of 81 in 2002 to only 4 laboratories in 2008. Total incidents reported by the U.S. Drug Enforcement Administration, which includes all laboratories, dumpsites or chemical and glassware seizures, declined in Nevada from 54 in 2005 to just 7 in 2010. These results are quite similar to those in Oregon, where such incidents fell from 191 in 2005 to 9 in 2010.

### Methamphetamine Clandestine Laboratory Incidents Per 1 Million Residents

(figures not adjusted to reflect the impacts of visitor volume)



Source: U.S. Drug Enforcement Administration (DEA), 2010

“Nevada has a methamphetamine abuse problem, but we do not have a methamphetamine production issue,” Lau said. “This Legislation is addressing the wrong part of the problem.”

### Summary

“In short, this legislation will cost the state money, cost consumers money, and do nothing to reduce methamphetamine abuse,” said Lau.

In February, RAN conducted a poll using Public Opinion Strategies to determine whether Nevadans would support legislation that would require that patients obtain a prescription to buy cold and allergy medications containing pseudoephedrine in order to reduce methamphetamine production in Nevada. By a 60 to 38 percent margin, respondents were opposed to this legislative change.

**Other Materials Available: The report by Applied Analysis is available in its entirety upon request.**

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