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Canadian Drug Reimportation Saves Hundreds of Thousands of Dollars

Newton, MA—In a time of rapidly spiraling health care costs, some local leaders are taking action to control costs without compromising quality of employee health care. One such effort is bearing fruit in Newton, where the Canadian Drug Reimportation program proposed by Alderman Ken Parker is saving the city and its employees hundreds of thousands of dollars. In 2008 alone, the program — which includes a generic drugs component — resulted in \$491 thousand in savings, bringing the total over the course of four years to \$945 thousand.

Alderman Parker, who is now a candidate for Mayor of Newton, got the idea for the Canadian Drug Reimportation program after hearing about a similar effort developed in Springfield, Massachusetts. Alderman Parker researched options and invited the Springfield official who developed their program to come to Newton to share his experiences with the program. Alderman Parker then worked with the City's Chief Administrative Officer, Michael Rourke, to develop the parameters for a program that could be offered to Newton employees and retirees.

Participation in the program took some time to take off, but as more and more employees and retirees take advantage of the program, the financial impact of the program has grown considerably. Savings under the program include \$640,461 in waived co-pays for employees and \$305,186 in net savings to the City, after program costs.

"I am delighted that we have been able to save our employees and retirees more than half a million dollars in prescription drug co-payments, while helping the City's bottom line," said Alderman Parker. "This is the kind of innovative program Newton residents can expect to see more of in a Parker Administration.

"This is what Ken Parker does very well: bringing sound new ideas and practices to Newton, changing the way we do things to improve city services step by step," said School Committee Member Geoff Epstein. "The citywide dollar savings are very significant in this case but also have a specific school system budget impact, equating to \$150,000 or three teacher salaries for just last year alone."