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By Jeffrey Schweers

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Florida has paid vendor \$50 million so far for stalled plan to import Canadian drugs

LAKELAND — A cavernous warehouse owned by Life Science Logistics sits on an industrial street in Lakeland, built three years ago under a multimillion-dollar contract with the state to import and store prescription drugs from Canada.

The drug plan, pushed by Gov. Ron DeSantis and the Legislature to save Floridians money, had been in limbo until it recently got approval from Washington. But there are still requirements to fulfill before it can begin to receive the lower-cost drugs from across the border.

The 100,000-square-foot warehouse hasn't been used for its intended purpose. It's been the site of occasional DeSantis news conferences and provided temporary storage for COVID-19 medication, hurricane equipment and other humanitarian supplies.

And even though it has no drugs to distribute, Dallas-based Life Science Logistics has been paid \$50.3 million so far under the contract signed in 2020 and is slated to get \$14.5 million more a year through 2026.

The general counsel for Life Science Logistics deferred questions to state officials, who did not answer questions about what services the company has provided for that money, including the cost to build the warehouse, which has an estimated taxable value of \$6.6 million.

"After becoming the first in the nation to receive FDA approval, the agency has been working diligently to ... complete the FDA's remaining steps to allow us to import safe and low-cost prescription drugs from Canada," said Alecia Collins, a spokeswoman for the Agency for Health Care Administration.

Life Science Logistics has donated \$300,000 to the Republican Party and the leadership committees of several top Republican lawmakers since 2021. And it paid as much as \$179,000 over the past three years to Ballard Partners, one of the state's top lobbying firms with ties to DeSantis and Donald Trump.

The situation is yet another example of how a politically connected company has reaped big dividends from the state, said Ben Wilcox, research director for Integrity Florida, a nonprofit government watchdog group.

“It seems like a good deal for this company, if they used campaign contributions and hired the biggest lobbyist in Florida to get this contract, that sounds like a pretty good deal,” Wilcox said.

Getting cheaper Canadian drugs to Florida residents has been a top goal of DeSantis since his first days in office. He worked with the Legislature to approve the plan in 2019 during the Trump administration.

The bill he signed into law required ACHA to sign a contract with a vendor experienced in receiving, stockpiling and distributing prescription drugs. Life Science Logistics bills itself as one of the leaders in the industry. Clients include the federal government and several states.

The original contract signed in 2020 had an original end date of June 30, 2023. Life Science Logistics agreed to administer and operate the program, but not buy the drugs. The contract was amended later to extend it three more years.

Responsibilities include identifying which prescription drugs the state would purchase, finding Canadian suppliers of pharmaceutical drugs, identifying staff, getting licensed as a pharmaceutical wholesaler and testing drugs for quality control.

It also includes renting or buying a warehouse suitable to store the drugs.

Life Sciences opted to build. The climate-controlled warehouse and the 28 acres of pasture land it sits on have a taxable property value of \$6.635 million, according to the Polk County Property Appraiser’s website.

That same year, two of the governor’s former top aides, Adrian Lukis and Courtney Coppola, were among the lobbyists with Ballard Partners who sought to make sure their client, Life Science Logistics, was well positioned for a separate warehouse and inventory control contract to store disaster supplies, the Orlando Sentinel has previously reported.

DeSantis has blamed the Biden administration for the delays in the drug plan, but Biden showed support for the idea early on when he signed an executive order in July 2021 directing the FDA to work with the states that wanted to import drugs from Canada.

The Pharmaceutical Research and Manufacturers of America and the Canadian government have opposed it over concerns about drug safety and potential shortages for Canadian citizens.

While Florida waited for FDA approval, it used its new warehouse for other things such as storing monoclonal antibodies during the COVID-19 pandemic, disaster preparedness supplies and equipment for response during Florida’s hurricanes. It also stored supplies to send to Israel after the Hamas attack last October 7.

Florida is initially looking to import 14 drugs meant to treat HIV/AIDS, mental illness, prostate cancer and urea cycle disorder.

The drugs will be available only to people receiving services through Medicaid, county health departments, prisons and other state facilities. The uninsured and anyone with private insurance won't be able to get them.