
HOUSE BILL 1181

State of Washington

58th Legislature

2003 Regular Session

By Representatives Edwards, Pflug, Cody, Hunt, Moeller, O'Brien, Kenney, Schual-Berke, Wallace, Lantz, Conway, Morrell, Campbell, Chase and Kirby

Read first time 01/20/2003. Referred to Committee on Health Care.

1 AN ACT Relating to reporting of prescription drug pricing; adding
2 a new section to chapter 41.05 RCW; and prescribing penalties.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05 RCW
5 to read as follows:

6 (1) As used in this section:

7 (a) "Average manufacturer price" has the meaning assigned by 42
8 U.S.C. Sec. 1396r-8(k), as amended; and

9 (b) "Pharmaceutical manufacturing company" means any entity that is
10 engaged in the production, preparation, propagation, compounding,
11 conversion, or processing of prescription drugs, either directly or
12 indirectly by extraction from substances of natural origin, or
13 independently by means of chemical synthesis, or by a combination of
14 extraction and chemical synthesis, or any entity engaged in the
15 packaging, repackaging, labeling, relabeling, or distribution of
16 prescription drugs. "Pharmaceutical manufacturing company" does not
17 include a wholesale drug distributor or pharmacist licensed under
18 chapter 18.64 RCW.

1 (2) A pharmaceutical manufacturing company, including a
2 pharmaceutical manufacturing company who manufactures a generic drug
3 that is sold in this state, shall file with the administrator, upon the
4 request of the administrator:

5 (a) The average manufacturer price for the requested prescription
6 drug or drugs; and

7 (b) The price that each wholesaler in this state pays the
8 manufacturer to purchase the requested prescription drug or drugs. The
9 information required under this subsection must be filed annually or
10 more frequently as determined by the administrator.

11 (3) At the administrator's request, a person who engages in the
12 wholesale distribution of prescription drugs in this state shall file
13 with the administrator information showing the actual price at which
14 the wholesale distributor sells a particular drug to a retail pharmacy.

15 (4) The department and the attorney general may investigate a
16 pharmaceutical manufacturing company or a person who engages in the
17 wholesale distribution of prescription drugs to determine the accuracy
18 of the information provided under subsection (2) or (3) of this
19 section. The attorney general may bring an action for injunctive
20 relief, costs, and attorneys' fees, and to impose on a pharmaceutical
21 manufacturing company that fails to file as required by this section,
22 or files inaccurate information, a civil penalty of not more than ten
23 thousand dollars per violation. Each unlawful failure to file, or
24 filing of inaccurate information, constitutes a separate violation.

25 (5) The administrator may not disclose information that identifies
26 a specific manufacturer or wholesaler or the prices charged by a
27 specific manufacturer or wholesaler for a specific pharmaceutical to
28 any entity other than a state purchased health care program or a
29 committee created to facilitate the development, acquisition, or
30 implementation of state purchased health care under this chapter. This
31 information must be protected from further disclosure as provided in
32 RCW 41.05.026.

33 (6) The administrator may adopt rules to implement this section.

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