

SENATE BILL REPORT

HB 1194

As Reported By Senate Committee On:
Health & Long-Term Care, March 24, 2005

Title: An act relating to reimportation of prescription drugs.

Brief Description: Regarding reimportation of prescription drugs.

Sponsors: Representatives Simpson, Campbell, Appleton, Clements, Cody, Sommers, P. Sullivan, Morrell, Schual-Berke, Chase, Dickerson, Kenney, O'Brien, Clibborn, Conway, Green, Sells, Kagi, Ormsby, Wallace, Upthegrove, Hasegawa and Kilmer.

Brief History: Passed House: 2/16/05, 56-42.

Committee Activity: Health & Long-Term Care: 3/23/05, 3/24/05 [DP-WM, DNP, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Deccio, Ranking Minority Member; Franklin, Kastama and Kline.

Minority Report: Do not pass.

Signed by Senator Parlette.

Minority Report: That it be referred without recommendation.

Signed by Senators Brandland and Johnson.

Staff: Sharon Swanson (786-7447)

Background: The combination of Canadian price controls and a favorable exchange rate between Canadian and United States currencies has created prescription drug prices in Canada that are less expensive than in the United States. Americans without prescription drug coverage have been purchasing prescription drugs through Canadian pharmacies or over the Internet in order to take advantage of Canadian drug prices. Several states and political subdivisions in the United States are exploring ways to take advantage of the price differential between prescription drugs sold in Canada and the United States.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, (H.R. 1) authorized the importation of prescription drugs from Canada if several conditions are met. The Secretary of the Department of Health and Human Services (Secretary) was required to promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States, if the Secretary determined importation was cost-effective and safe. The Secretary established a Drug Importation Task Force (Task Force) to review the issues around drug importation. In December 2004, the Task Force reported that the importation of prescription drugs from Canada could not be accomplished in a safe and cost-

effective manner. The Secretary is authorized to waive the ban on importation of prescription drugs in cases where the importation is clearly for personal use, and the prescription drug or device imported does not appear to present an unreasonable risk to the individual.

Also in December 2004, Governor Locke directed the Health Care Authority to link an existing prescription drug website to a website maintained by the State of Wisconsin that facilitates the individual purchase of prescription drugs from Canadian pharmacies.

Summary of Bill: Each agency administering a state purchased health care program is required to: (1) undertake bulk purchasing of drugs approved by the Federal Food and Drug Administration (FDA) from Canadian pharmacies and wholesalers, if a waiver is approved by the FDA; and (2) facilitate personal importation of certain drugs approved by the FDA from Canadian pharmacies for individuals participating in state purchased health care programs.

The Health Care Authority is directed to develop an internet website using the Pharmacy Connection Program to advise consumers about purchasing prescription drugs from Canada. The Attorney General must certify that the website and the information contained on it do not violate applicable state or federal laws.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Passage of this bill will create enormous savings for the people of Washington. Canadian drugs can be up to 80 percent cheaper. Canadian pharmacies have strict standards they must adhere to and that will ensure the safety of the drugs that this bill will allow our State to import. The bill codifies the website former Governor Locke authorized. This is another step towards helping the people of Washington save money.

Testimony Against: It is unsafe and illegal to import drugs from other countries. This bill moves us one step closer to price control.

Who Testified: PRO: Representative Simpson, prime sponsor; Art Zoloth, Northwest Pharmacy Services.

CON: Cliff Webster, Pharmaceutical Research & Manufacturers Association.