
SECOND SUBSTITUTE HOUSE BILL 1168

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Appleton, O'Brien, Cody, Campbell, Moeller, P. Sullivan, Chase, Flannigan, McCoy, Sells, Simpson, Darneille, Hasegawa, McIntire, Murray, McDermott, Morrell, Green, Schual-Berke, Kagi, Kessler, Dickerson, Kenney, Hankins, Conway, Lantz, Ormsby, Wallace and Upthegrove)

READ FIRST TIME 02/11/05.

1 AN ACT Relating to reimportation of prescription drugs; amending
2 RCW 18.64.350 and 18.64.360; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that as consumers'
5 prescription drug costs continue to rise, people across the state of
6 Washington are exercising the option to purchase prescription drugs
7 from Canada for their personal use. The state has a strong interest in
8 the safety of drugs purchased through this mechanism. To address this
9 interest, the legislature intends to authorize the state board of
10 pharmacy to regulate nonresident Canadian pharmacies.

11 **Sec. 2.** RCW 18.64.350 and 1991 c 87 s 1 are each amended to read
12 as follows:

13 (1) The legislature finds and declares that the practice of
14 pharmacy is a dynamic, patient-oriented health service that applies a
15 scientific body of knowledge to improve and promote patient health by
16 means of appropriate drug use and drug-related therapy.

17 (2) The legislature recognizes that with the proliferation of
18 alternate methods of health delivery, there has arisen among third-

1 party payors and insurance companies the desire to control the cost and
2 utilization of pharmacy services through a variety of mechanisms,
3 including the use of mail-order pharmacies located outside the state of
4 Washington.

5 (3) As a result, the legislature finds and declares that to
6 continue to protect the Washington consumer-patient, all out-of-state
7 pharmacies, including those located in Canada, that provide services to
8 Washington residents shall be licensed by the department of health,
9 disclose specific information about their services, and provide
10 pharmacy services at a high level of protection and competence.

11 **Sec. 3.** RCW 18.64.360 and 1996 c 109 s 1 are each amended to read
12 as follows:

13 (1) For the purposes of this chapter any pharmacy located outside
14 this state that ships, mails, or delivers, in any manner, except when
15 delivered in person to an individual, controlled substances, legend
16 drugs, or devices into this state is a nonresident pharmacy, and shall
17 be licensed by the department of health, and shall disclose to the
18 department the following:

19 (a) The location, names, and titles of all owners including
20 corporate officers and all pharmacists employed by the pharmacy who are
21 dispensing controlled substances, legend drugs, or devices to residents
22 of this state. A report containing this information shall be made on
23 an annual basis and within ninety days after a change of location,
24 corporate officer, or pharmacist;

25 (b) Proof of compliance with all lawful directions and requests for
26 information from the regulatory or licensing agency of the state or
27 Canadian province in which it is licensed as well as with all requests
28 for information made by the department of health under this section.
29 The nonresident pharmacy shall maintain, at all times, a valid
30 unexpired license, permit, or registration to operate the pharmacy in
31 compliance with the laws of the state or Canadian province in which it
32 is located. As a prerequisite to be licensed by the department of
33 health, the nonresident pharmacy shall submit a copy of the most recent
34 inspection report issued by the regulatory licensing agency of the
35 state or Canadian province in which it is located;

36 (c) Proof that it maintains its records of controlled substances,

1 legend drugs, or devices dispensed to patients in this state so that
2 the records are readily retrievable from the records of other drugs
3 dispensed.

4 (2) Any pharmacy subject to this section shall, during its regular
5 hours of operation, provide a toll-free telephone service to facilitate
6 communication between patients in this state and a pharmacist at the
7 pharmacy who has access to the patient's records. This toll-free
8 number shall be disclosed on the label affixed to each container of
9 drugs dispensed to patients in this state.

10 (3) A pharmacy subject to this section shall comply with board
11 rules regarding the maintenance and use of patient medication record
12 systems.

13 (4) A pharmacy subject to this section shall comply with board of
14 pharmacy rules regarding the provision of drug information to the
15 patient. Drug information may be contained in written form setting
16 forth directions for use and any additional information necessary to
17 assure the proper utilization of the medication prescribed. A label
18 bearing the expiration date of the prescription must be affixed to each
19 box, bottle, jar, tube, or other container of a prescription that is
20 dispensed in this state by a pharmacy subject to this section.

21 (5) A pharmacy subject to this section shall not dispense
22 medication in a quantity greater than authorized by the prescriber.

23 (6) The license fee specified by the secretary, in accordance with
24 the provisions of RCW 43.70.250, shall not exceed the fee charged to a
25 pharmacy located in this state.

26 (7) The license requirements of this section apply to nonresident
27 pharmacies that ship, mail, or deliver controlled substances, legend
28 drugs, and devices into this state only under a prescription. The
29 board of pharmacy may grant an exemption from licensing under this
30 section upon application by an out-of-state pharmacy that restricts its
31 dispensing activity in Washington to isolated transactions.

32 (8) Each nonresident pharmacy that ships, mails, or delivers legend
33 drugs or devices into this state shall designate a resident agent in
34 Washington for service of process. The designation of such an agent
35 does not indicate that the nonresident pharmacy is a resident of
36 Washington for tax purposes.

37 (9) The board shall attempt to develop a reciprocal licensing
38 agreement for licensure of nonresident pharmacies with Health Canada or

1 an applicable Canadian province. If the board is unable to develop
2 such an agreement, the board shall develop a process to license
3 participating Canadian nonresident pharmacies through on-site
4 inspection and certification.

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