
HOUSE BILL 1194

State of Washington

59th Legislature

2005 Regular Session

By 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

Read first time 01/18/2005. Referred to Committee on Health Care.

1 AN ACT Relating to reimportation of prescription drugs; amending
2 RCW 70.14.050; adding a new section to chapter 70.14 RCW; and creating
3 a new section.

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

5 **Sec. 1.** RCW 70.14.050 and 2003 1st sp.s. c 29 s 9 are each amended
6 to read as follows:

7 (1) Each agency administering a state purchased health care program
8 as defined in RCW 41.05.011(2) shall, in cooperation with other
9 agencies, take any necessary actions to control costs without reducing
10 the quality of care when reimbursing for or purchasing drugs. To
11 accomplish this purpose, participating agencies may establish an
12 evidence-based prescription drug program.

13 (2) In developing the evidence-based prescription drug program
14 authorized by this section, agencies:

15 (a) Shall prohibit reimbursement for drugs that are determined to
16 be ineffective by the United States food and drug administration;

17 (b) Shall adopt rules in order to ensure that less expensive
18 generic drugs will be substituted for brand name drugs in those
19 instances where the quality of care is not diminished;

1 (c) Where possible, may authorize reimbursement for drugs only in
2 economical quantities;

3 (d) May limit the prices paid for drugs by such means as negotiated
4 discounts from pharmaceutical manufacturers, central purchasing, volume
5 contracting, purchasing drugs from approved pharmacies or wholesalers
6 in Canada as provided in section 2 of this act, or setting maximum
7 prices to be paid;

8 (e) Shall consider the approval of drugs with lower abuse potential
9 in substitution for drugs with significant abuse potential;

10 (f) May take other necessary measures to control costs of drugs
11 without reducing the quality of care; and

12 (g) Shall adopt rules governing practitioner endorsement and use of
13 any list developed as part of the program authorized by this section.

14 (3) Agencies shall provide for reasonable exceptions, consistent
15 with RCW 69.41.190, to any list developed as part of the program
16 authorized by this section.

17 (4) Agencies shall establish an independent pharmacy and
18 therapeutics committee to evaluate the effectiveness of prescription
19 drugs in the development of the program authorized by this section.

20 NEW SECTION. Sec. 2. A new section is added to chapter 70.14 RCW
21 to read as follows:

22 Each agency administering a state purchased health care program as
23 defined in RCW 41.05.011(2) shall, in cooperation with other agencies,
24 take any actions needed to:

25 (1) Undertake bulk purchasing of drugs approved by the federal food
26 and drug administration from Canadian pharmacies and wholesalers, upon
27 approval of a waiver by the federal food and drug administration or
28 upon passage of federal legislation authorizing bulk reimportation of
29 prescription drugs;

30 (2) Facilitate personal importation of drugs approved by the food
31 and drug administration from Canadian pharmacies for individuals
32 participating in state purchased health care programs. Personal
33 importation shall be done in a manner consistent with the following
34 conditions:

35 (a) Prescription drugs purchased through personal importation shall
36 be limited to drugs other than:

37 (i) Injectable drugs;

1 (ii) Biological products;
2 (iii) Drugs inhaled during surgery;
3 (iv) Drugs that have specific postmarketing monitoring programs;
4 (v) Drugs that must be refrigerated or kept frozen;
5 (vi) Narcotics; and
6 (vii) Drugs that are highly susceptible to counterfeiting on the
7 global market;

8 (b) Prescription drugs purchased through personal importation shall
9 be limited to those drugs that agencies administering state purchased
10 health care programs determine will result in cost savings to their
11 programs;

12 (c) Any Canadian pharmacy participating in personal importation of
13 drugs for individuals participating in state purchased health care
14 programs shall meet retail pharmacy licensing standards established by
15 the Washington state board of pharmacy;

16 (d) The health care authority shall offer financial incentives to
17 uniform medical plan enrollees for personal importation of prescription
18 drugs that meet the standards established in (a) and (b) of this
19 subsection.

20 The health care authority shall develop an internet web site and
21 use the pharmacy connection program established under RCW 41.05.520 to
22 provide information to Washington residents regarding opportunities to
23 purchase prescription drugs from Canada and the best means to ensure
24 that any prescription drugs they purchase have been safely
25 manufactured, distributed, and stored. The attorney general shall
26 review the web site and the information provided through the pharmacy
27 connection program and certify that they do not violate any applicable
28 state or federal law.

29 NEW SECTION. **Sec. 3.** If any part of this act is found to be in
30 conflict with federal requirements that are a prescribed condition to
31 the allocation of federal funds to the state, the conflicting part of
32 this act is inoperative solely to the extent of the conflict and with
33 respect to the agencies directly affected, and this finding does not
34 affect the operation of the remainder of this act in its application to
35 the agencies concerned. Rules adopted under this act must meet federal

1 requirements that are a necessary condition to the receipt of federal
2 funds by the state.

--- END ---