

CERTIFICATION OF ENROLLMENT  
**SECOND SUBSTITUTE HOUSE BILL 1168**

59th Legislature  
2005 Regular Session

Passed by the House April 18, 2005  
Yeas 60 Nays 35

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**Speaker of the House of Representatives**

Passed by the Senate April 12, 2005  
Yeas 33 Nays 14

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1168** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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SECOND SUBSTITUTE HOUSE BILL 1168

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AS AMENDED BY THE SENATE

Passed Legislature - 2005 Regular Session

**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; adding a new section to chapter 18.64 RCW;  
3            and creating a new section.

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

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

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

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

1 (2) The legislature recognizes that with the proliferation of  
2 alternate methods of health delivery, there has arisen among third-  
3 party payors and insurance companies the desire to control the cost and  
4 utilization of pharmacy services through a variety of mechanisms,  
5 including the use of mail-order pharmacies located outside the state of  
6 Washington.

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

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

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

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

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

1 (c) Proof that it maintains its records of controlled substances,  
2 legend drugs, or devices dispensed to patients in this state so that  
3 the records are readily retrievable from the records of other drugs  
4 dispensed.

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

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

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

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

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

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

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

1       (9) The board shall attempt to develop a reciprocal licensing  
2 agreement for licensure of nonresident pharmacies with Health Canada or  
3 an applicable Canadian province. If the board is unable to develop  
4 such an agreement, the board shall develop a process to license  
5 participating Canadian nonresident pharmacies through on-site  
6 inspection and certification.

7       NEW SECTION. Sec. 4. A new section is added to chapter 18.64 RCW  
8 to read as follows:

9       (1) By September 1, 2005, the board of pharmacy shall, in  
10 consultation with the department and the health care authority, submit  
11 a waiver request to the federal food and drug administration that  
12 authorizes the importation of prescription drugs from Canada.

13       (2) Upon approval of the federal waiver allowing for the  
14 importation of prescription drugs from Canada, the board, in  
15 consultation with the department and the health care authority, shall  
16 license Canadian pharmacies that provide services to Washington  
17 residents under RCW 18.64.350 and RCW 18.64.360.

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