

HOUSE BILL REPORT

HB 2688

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to nonresident pharmacies.

Brief Description: Concerning nonresident pharmacies.

Sponsors: Representatives Slatter, DeBolt, Cody and Jinkins; by request of Department of Health.

Brief History:

Committee Activity:

Health Care & Wellness: 1/23/18, 1/26/18 [DP].

Brief Summary of Bill

- Requires nonresident pharmacies to submit to the Department of Health copies of inspection reports conducted by inspection programs approved by the Pharmacy Quality Assurance Committee.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 12 members: Representatives Macri, Vice Chair; Caldier, Clibborn, DeBolt, Harris, Jinkins, MacEwen, Riccelli, Robinson, Slatter, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 3 members: Representatives Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Maycumber.

Staff: Chris Blake (786-7392).

Background:

Nonresident pharmacies are pharmacies that are located outside Washington that ship, mail, or deliver prescription drugs, including both controlled substances and legend drugs, or devices into the state. Nonresident pharmacies must be licensed by the Department of Health (Department) and must disclose to the Department:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- an annual report with information about the corporate officers and the employed pharmacists who dispense prescription drugs and devices to Washington residents;
- proof of compliance with the laws of the state or Canadian province in which it holds a license, including submitting to the Department a copy of the most recent inspection report issued from the state or Canadian province; and
- proof that it maintains records of prescription drugs and devices dispensed to patients in Washington in a manner that it is readily retrievable from the records of other dispensed drugs.

Nonresident pharmacies must renew their licenses annually. Upon request of the Department, a nonresident pharmacy must provide information, through submission or inspection of records, about the controlled substances shipped, mailed, or delivered to Washington residents.

Summary of Bill:

The requirement that a nonresident pharmacy submit to the Department of Health a copy of the most recent inspection report from the state or Canadian province with which it is licensed is removed. Instead, the nonresident pharmacy must submit a copy of an inspection report conducted by an inspection program approved by the Pharmacy Quality Assurance Commission. The report must have been issued within two years of application or renewal of a license.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) About 40 percent of pharmacies in Washington are nonresident pharmacies that provide services from outside the state due, in part, to payer incentives to use mail order pharmacies or the need for independently compounded drugs from specialty pharmacies. For an initial license, a nonresident pharmacy must include an inspection report from the state in which it is located; however, there is no requirement for subsequent inspections to renew the license in Washington. This bill aligns the inspection report with Washington's stringent standards for inspections to keep Washingtonians safe. This bill requires out-of-state pharmacies doing business in Washington to submit ongoing inspection reports from a Pharmacy Quality Assurance Commission (Commission)-approved third-party inspection program. Receiving adequate and up-to-date compliance information from these states is essential to protecting the health and safety of the patients of Washington.

This bill gives the Commission the ability to approve third-party inspection programs so that nonresident pharmacies conducting business in Washington meet the same patient safety standards as those pharmacies operating within the state.

(Opposed) None.

Persons Testifying: Representative Slatter, prime sponsor; and Tim Lynch, Washington State Pharmacy Quality Assurance Commission.

Persons Signed In To Testify But Not Testifying: None.