

SENATE BILL REPORT

SB 6111

As of January 20, 2020

Title: An act relating to the creation of a pharmacy tourism program.

Brief Description: Creating a pharmacy tourism program.

Sponsors: Senators Keiser, Conway, Das, Hasegawa, Pedersen, Randall, Stanford and Wilson, C.

Brief History:

Committee Activity: Health & Long Term Care: 1/17/20.

Brief Summary of Bill

- Directs the Public Employees' Benefits Board and the School Employees' Benefits Board to develop a pharmacy tourism program to allow enrollees to obtain prescription drugs at lower cost outside of the United States.
- Permits health carriers to develop pharmacy tourism programs for enrollees.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Greg Attanasio (786-7410)

Background: Pharmacy tourism allows patients to travel to a designated location outside the United States to obtain prescription drugs at a lower cost. The Food and Drug Administration (FDA) generally considers it illegal for individuals to import drugs into the United States for personal use because drugs from other countries often have not been approved by the FDA for use and sale in the United States. However, under certain circumstances individuals are allowed to import up to a 90 day supply of a drug.

Utah's Public Employee Health Program (PEHP) and Spokane-based Wagstaff, Incorporated have created pharmacy tourism programs in recent years for enrollees of their health plans. The programs include only certain high-cost drugs that can be obtained abroad at substantial savings.

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.

The PEHP program includes 13 drugs for conditions including multiple sclerosis, psoriatic arthritis, rheumatoid arthritis, osteoporosis, ulcerative colitis, and prostate cancer. PEHP partners with United States based pharmacy, Provide Rx, which works directly with clinics in Tijuana, Mexico, and Vancouver, Canada. Provide Rx collects enrollees' medical records before the trip and ships the medication to the clinic from its wholesaler. Provide Rx also makes all travel arrangements, including a car service to transport enrollees across the border. PEHP tracks the drug supply chain from the manufacturer to Provide Rx, reviewing lot numbers and verifying the pharmacy's relationships with wholesalers and manufacturers. Upon arrival, the enrollee meets with a doctor in the clinic and the drugs are dispensed. Most trips are completed in a single day.

Summary of Bill: By January 1, 2021, the Public Employees' Benefits Board (PEBB) and the School Employees' Benefits Board (SEBB) must develop a pharmacy tourism program available to enrollees of their health plans. When designing the program, PEBB and SEBB must establish a list of prescription drugs eligible for the program, including, but not limited to insulin, and contract with at least one clinic or pharmacy in Canada. The program must reimburse participants for necessary transportation and other travel expenses and provide a participation incentive, which may include premium discounts, rebates, or a reduction in out-of-pocket expenses.

Health carriers may develop a pharmacy tourism program for their plans with the same requirements as the PEBB and SEBB program.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: The idea is good, but there are possible legality issues with importing drugs.

CON: The program could undermine federal law and there are issues with patient safety.

OTHER: There would be issues with offering this program in individual and small group market plans.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Dr. Sherry Weinberg, Physicians for a National Health Plan.

CON: Mark Johnson, Washington Retail Association.

OTHER: Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: No one.