
SENATE BILL 6110

State of Washington

66th Legislature

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By Senators Keiser, Becker, Conway, Das, Frockt, Hasegawa, Hunt, Pedersen, Randall, Rolfes, Stanford, Van De Wege, and Wilson, C.

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1 AN ACT Relating to the importation of prescription drugs from
2 Canada; and adding a new chapter to Title 69 RCW.

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

4 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
5 section apply throughout this chapter unless the context clearly
6 requires otherwise.

7 (1) "Authority" means the health care authority.

8 (2) "Drug wholesaler" means a facility licensed by the pharmacy
9 quality assurance commission under chapter 18.64 RCW that buys drugs
10 or devices for resale and distribution to corporations, individuals,
11 or entities other than consumers.

12 (3) "Health plan" has the same meaning as in RCW 48.43.005.

13 (4) "Pharmacy" means a facility licensed by the pharmacy quality
14 assurance commission under chapter 18.64 RCW in which the practice of
15 pharmacy is conducted.

16 (5) "Prescription drugs" has the same meaning as "legend drugs"
17 as defined in RCW 69.41.010.

18 (6) "Program" means a wholesale prescription drug importation
19 program where the authority is a licensed wholesaler or contracts
20 with a licensed wholesaler, which imports drugs from licensed,
21 regulated Canadian suppliers, solely for distribution to voluntarily

1 participating, state-licensed, in-state, pharmacies and administering
2 providers for the exclusive purpose of dispensing to state residents
3 with a valid prescription.

4 NEW SECTION. **Sec. 2.** DRUG IMPORTATION PROGRAM DESIGN. (1) The
5 authority shall, in consultation with the pharmacy quality assurance
6 commission and relevant federal agencies, design a wholesale
7 prescription drug importation program that complies with the
8 applicable requirements of 21 U.S.C. Sec. 384, including the
9 requirements regarding safety and cost savings.

10 (2) The program shall:

11 (a) Designate that the authority become a licensed drug
12 wholesaler or contract with a licensed drug wholesaler in order to
13 seek federal certification and approval to import safe prescription
14 drugs from Canada;

15 (b) Contract only with Canadian prescription drug suppliers that
16 are licensed and regulated under the laws of Canada;

17 (c) Ensure that all imported prescription drugs meet the United
18 States food and drug administration's safety, effectiveness
19 standards, and any other standards and requirements designated in
20 federal rule;

21 (d) Only import prescription drugs expected to generate
22 substantial savings for Washington consumers;

23 (e) Prohibit the distribution, dispensing, or sale of imported
24 prescription drugs outside of Washington;

25 (f) Ensure compliance with the tracking and tracing requirements
26 of Title 21 U.S.C. Sec. 581-582 as enacted in Title II of the federal
27 drug security and quality act to the extent feasible and practical
28 before imported drugs come into the possession of the state
29 wholesaler and ensure compliance fully after imported drugs are in
30 the possession of the state wholesaler;

31 (g) Ensure the product component of the reimbursement provided by
32 a participating health plan to a pharmacy does not exceed the actual
33 acquisition cost of the drug;

34 (h) Ensure participating health plans keep their formularies and
35 claims payment systems up-to-date with the prescription drugs
36 provided through the program;

37 (i) Ensure participating health plans base enrollee cost-sharing
38 on the actual acquisition cost of the drug;

1 (j) Require participating health plans to demonstrate how
2 prescription drug savings achieved through the program are reflected
3 in premiums;

4 (k) Ensure that no generic drugs are imported that would violate
5 United States patent laws on United States branded products; and

6 (l) Include an auditing and oversight process to ensure the
7 program yields savings for consumers.

8 NEW SECTION. **Sec. 3.** FEDERAL PROGRAM APPROVAL. By July 1, 2021,
9 the authority shall, in consultation with the pharmacy quality
10 assurance commission, submit a formal request to the secretary of the
11 United States department of health and human services for
12 certification of the state's wholesale prescription drug importation
13 program.

14 NEW SECTION. **Sec. 4.** PROGRAM FUNDING. (1) The authority shall
15 determine the cost for the administration and oversight of the
16 program and set a per prescription fee at a level sufficient to
17 recover the costs.

18 (2) The fee may be adjusted annually and shall not exceed actual
19 administration and oversight costs. Adjustments for inflation may not
20 exceed the percentage change in the consumer price index for all
21 urban consumers in the United States as calculated by the United
22 States department of labor as averaged by city for the twelve-month
23 period ending with June of the previous year.

24 (3) All fees collected under this section must be deposited in
25 the drug importation program account established in section 5 of this
26 act.

27 NEW SECTION. **Sec. 5.** DRUG IMPORTATION PROGRAM ACCOUNT. The drug
28 importation program account is created in the state treasury. All
29 receipts received by the authority under this chapter must be
30 deposited in the account. Moneys in the account may be spent only
31 after appropriation. Expenditures from the account may be used by the
32 authority only for administering this chapter.

33 NEW SECTION. **Sec. 6.** PROGRAM IMPLEMENTATION. (1) Upon
34 certification and approval by the secretary of the United States
35 department of health and human services, the authority shall
36 implement the program and begin operation within six months.

- 1 (2) As part of the implementation process, the authority shall:
2 (a) Become a licensed drug wholesaler or contract with one or
3 more licensed Washington drug wholesalers;
4 (b) Contract with one or more licensed Canadian drug suppliers;
5 (c) Develop a registration process for health plans and
6 pharmacies willing to participate in the program;
7 (d) Create a publicly available source for listing the prices of
8 imported prescription drugs;
9 (e) Create an outreach and marketing plan to generate program
10 awareness;
11 (f) Create and staff a toll-free telephone number to answer
12 questions from consumers, health plans, and pharmacies; and
13 (g) Conduct any other activities the authority deems necessary
14 for successful implementation.

15 NEW SECTION. **Sec. 7.** ANNUAL PROGRAM REPORT TO THE LEGISLATURE.

16 (1) By December 1st after the first full year following program
17 certification by the secretary of the United States department of
18 health and human services, and annually thereafter, the authority
19 must submit a report to the legislature on the operation of the
20 program during the previous calendar year.

21 (2) The report must include:

- 22 (a) A list of the prescription drugs that were imported as part
23 of the program;
24 (b) The number of pharmacies, health care providers, and health
25 plans participating in the program;
26 (c) The number of prescriptions dispensed through the program;
27 (d) The estimated savings to consumers, health plans, employers,
28 and the state during the previous calendar year and to date; and
29 (e) Any other information the authority deems relevant.

30 NEW SECTION. **Sec. 8.** RULE MAKING. The authority shall adopt any
31 rules necessary to implement this chapter.

32 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act
33 constitute a new chapter in Title 69 RCW.

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