

# SENATE BILL REPORT

## SB 5470

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 24, 2005

**Title:** An act relating to importation of prescription drugs from Canadian wholesalers.

**Brief Description:** Allowing the importation of certain prescription drugs from Canadian wholesalers.

**Sponsors:** Senators Franklin, Thibaudeau, Keiser, Kline, Poulsen, Berkey, Haugen, McAuliffe, Rockefeller, Shin and Kohl-Welles; by request of Governor Gregoire.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/3/05, 2/24/05 [DPS, DNP].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5470 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Thibaudeau, Vice Chair; Franklin, Kastama, Kline and Poulsen.

**Minority Report:** Do not pass.

Signed by Senators Benson, Brandland, Johnson and Parlette.

**Staff:** Sharon Swanson (786-7447)

**Background:** The combination of Canadian price controls and a favorable exchange rate between Canadian and United States currencies has created prescription drug prices in Canada that are between 30 and 80 percent less expensive than in the United States.

The Department of Health currently licenses pharmacies located in Washington state, and out-of-state pharmacies that provide services to Washington residents. The Department maintains reciprocal licensing agreements with other State's pharmacy licensing authorities.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) authorizes the Secretary of Health and Human Services to allow for the importation of Food and Drug Administration approved medicines from Canada by United States-licensed pharmacists and drug wholesalers for commercial re-sale. Drug importation becomes effective only if the Secretary is able to certify that implementing the program will pose no additional risk to public health and safety and result in a significant reduction in cost to consumers.

**Summary of Substitute Bill:** The Board of Pharmacy is required, no later than September 1, 2005, to submit a request to the federal Food and Drug Administration authorizing Washington to license Canadian, Irish, United Kingdom and other non domestic prescription drug wholesalers.

Savings associated with purchasing prescription drugs from Canadian, United Kingdom, Irish and other nondomestic wholesalers is passed on to consumers.

Prescription drug purchases from pharmacies under the request is limited to those not eligible for reimbursement by third party insurance coverage, whether public or private.

The Board of Pharmacy is required, no later than December 1, 2005, to submit an implementation plan to the Governor and appropriate committees of the legislature.

**Substitute Bill Compared to Original Bill:** The substitute bill adds the United Kingdom, Ireland and other nondomestic countries.

Additionally, the substitute includes language clarifying that the prescription drugs available for purchase are limited to those available through purchase by individuals only at licensed retail pharmacies.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** Of the many bills that are circulating on this issue, this is the safest. The issue here is about price control, not safety. This bill does not go far enough, it should include Western European countries as well.

**Testimony Against:** If this bill passes many jobs will be lost. The safety of our citizens will be at stake. Canada is struggling to keep up with the demand of our citizens, if we make it easier for our citizens to get prescription drugs, Canada will be forced to import questionable drugs to keep up with greater demand.

**Who Testified:** PRO: Bill Daley, Washington Citizen Action; Ree Sailors, Governor's Office; Bruce Reeves, Senior Citizen's Lobby; Dr. Art Zoloth.

CON: Cliff Webster, Pharmaceutical Research and Manufacturers of America; Jeff Kimmell, Drugstore.com Inc.