

HOUSE BILL REPORT

HB 1316

As Reported by House Committee On:

Health Care
Appropriations

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: Representatives Schual-Berke, Simpson, Kessler, Morrell, Kilmer, Upthegrove, Clibborn, Hasegawa, Conway, Roberts, Takko, Moeller, Kagi, Dickerson, Campbell and Ormsby; by request of Governor Gregoire.

Brief History:

Committee Activity:

Health Care: 1/25/05, 2/1/05 [DPS];

Appropriations: 2/7/05, 2/9/05 [DP2S(w/o sub HC)].

Brief Summary of Second Substitute Bill

- Requires the Board of Pharmacy to submit a waiver request to the federal Food and Drug Administration to authorize Washington to license Canadian prescription drug wholesalers.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Cody, Chair; Morrell, Vice Chair; Appleton, Clibborn, Green, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Ranking Minority Member; Curtis, Assistant Ranking Minority Member; Alexander, Condotta, Hinkle and Skinner.

Staff: Dave Knutson (786-7146).

Background:

The Department of Health (Department) 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 Department does not license pharmacies located in foreign countries.

Summary of Substitute Bill:

The Board of Pharmacy is required to submit a waiver request to the federal Food and Drug Administration authorizing Washington to license Canadian prescription drug wholesalers. If the Department is unable to develop a reciprocal licensing agreement with Health Canada or a Canadian province, it will license participating Canadian pharmacies through on-site inspection and certification.

Substitute Bill Compared to Original Bill:

The Board of Pharmacy is not required to enter into a reciprocal agreement for the licensing of Canadian drug wholesalers.

Appropriation: None.**Fiscal Note:** Requested on 1/20/05.**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.**Testimony For:** Licensing Canadian wholesalers and allowing them to ship drugs to Washington pharmacies will protect the safety of the drug and deliver a lower price to the consumer.**Testimony Against:** The federal government will not allow Washington to do this.**Persons Testifying:** (In support) Representative Schual-Berke, prime sponsor; Ree Sailors, Office of the Governor; Robby Stern, Washington State Labor Council; Ruth Shearer, Senior Lobby; Michael Warren, Washington State Association for Retired Americans; Bruce Reeves, Senior Citizens Lobby; Bill Daley, Washington Citizen Action; Dr. Art Zoloth, Northwest Pharmacy Services; Lauren Moughon, American Association of Retired Persons; and Eleanor Owen.

(Opposed) Dr. Bruce Montgomery, Washington Biotechnology and Biomedical Association and Corus Pharma, Inc.; Randy Hassler, Amgen; and Cliff Webster, Pharmaceutical Research and Manufacturers of America.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care. Signed by 18 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Armstrong, Cody,

Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia and Schual-Berke.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey, Buri, Clements, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: Amy Hanson (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:

The Board of Pharmacy is required to enter into a reciprocal agreement for the licensing of Canadian drug wholesalers.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: It is a well known fact that prescription drugs are available at a much lower cost in many cases for brand name drugs in Canada compared to prices in Washington. This bill would take one step towards making it possible for the citizens of Washington to access Canadian drugs under circumstances that were approved by the FDA and that fully accounted for the safety of the individuals who were purchasing those drugs. The bill levels the playing field and allows access to those who can't afford prescription drugs.

Testimony Against: Drug importation cannot be done in a cost-effective and safe manner because in order to achieve the drug savings that might be found in Canada, the Board of Pharmacy would be required to go through all the efforts contained in the bill to ensure that drug importation can be done safely. These efforts will eliminate any savings. We appreciate the intent of these bills, but are concerned that these bills will not increase access to prescription drugs but will increase costs to the state, may possibly increase liability to the state, and continue to expand the role of government into the private sector.

Persons Testifying: (In support) Art Zolotz, Northwest Pharmacy Services; Pete Cutler, Health Care Authority; and Eleanor Owen, Older Women's League, Health Care For All of Washington, and Mental Health Association of Washington.

(Opposed) Mellani Hughes McAleenan, Association of Washington Business; and Cliff Webster, Pharmaceutical Research and Manufacturers of America.

Persons Signed In To Testify But Not Testifying: None.