

SENATE BILL REPORT

SB 6020

As Reported By Senate Committee On:
Health & Long-Term Care, March 2, 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 Kastama, Keiser, Kohl-Welles and Kline.

Brief History:

Committee Activity: Health & Long-Term Care: 3/2/05 [DP, DNP, w/oRec].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

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

Minority Report: Do not pass.

Signed by Senators Benson and Brandland.

Minority Report: That it be referred without recommendation. Signed by Senators Deccio, Ranking Minority Member 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.

Currently, federal law prohibits the importation of unauthorized drugs. The Federal Drug Administration has outlined the potential liability for those who violate this prohibition. Liabilities include both civil and criminal violations and escalate from misdemeanors to felonies for repeat offenses.

Drug importation only becomes effective if the Secretary of Health and Human Services is able to certify that implementing a program for importation will pose no additional risk to the public health and safety and result in a significant reduction in cost to consumers.

Summary of Bill: Requires the Board of Pharmacy, in consultation with the Department of Health and the Health Care Authority, to license Canadian prescription drug wholesalers.

The Board of Pharmacy must ensure the integrity of the prescription drug products by: requiring that prescription drugs from Canadian wholesalers originate only from approved manufacturing locations; routinely testing prescription drugs; establishing safe labeling, tracking, and shipping procedures for prescription drugs purchased from Canadian wholesalers.

Savings associated with purchasing prescription drugs from Canadian wholesalers is passed on to consumers.

The Board of Pharmacy is required, no later than December 1, 2005 to submit an implementation plan to the Governor and Legislature that details the mechanisms the board will use to implement the importation plan.

Appropriation: None.

Fiscal Note: Requested March 1, 2005.

Committee/Commission/Task Force Created: No.

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

Testimony For: Many states have sought a federal waiver to allow importation of prescription drugs from Canada. The federal government has not granted any waivers and is not responding to the need that is expressed for cheaper medications. This bill allows our state to do what several other states are already doing, buy drugs from qualified wholesalers and pass savings on to consumers.

Testimony Against: There is no way to guarantee the safety of the drugs that are imported from other countries. There are too many uncertainties such as the quality of the drugs, the threat to public safety, and the question of who bears liability if something goes wrong. This bill really seeks to import a price control policy. That is a discussion that needs to occur but not through this bill. Nothing in this bill addresses the fact that what is proposed is illegal. In the states that are doing this, very few people are taking advantage of the program.

Who Testified: PRO: Senator Kastama, prime sponsor; Eleanor Owen, National Alliance for the Mentally Ill.

CON: Linda Hull, Washington Bio-Technology & Bio-Medical Association; Cliff Webster, Pharmaceutical Research & Manufacturers of America.