

# HOUSE BILL REPORT

## HB 1412

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### As Passed Legislature

**Title:** An act relating to nonresident pharmacies.

**Brief Description:** Concerning nonresident pharmacies.

**Sponsors:** Representatives Thai, DeBolt, Slatter, Cody, Jinkins and Riccelli; by request of Department of Health.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/1/19, 2/8/19 [DP].

**Floor Activity:**

Passed House: 3/1/19, 90-3.

Passed Senate: 4/3/19, 48-0.

Passed Legislature.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires nonresident pharmacies to submit to the Department of Health copies of recent inspection reports conducted by inspection programs approved by the Pharmacy Quality Assurance Committee in order to receive or renew licensure.</li></ul>
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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass. Signed by 12 members: Representatives Cody, Chair; Macri, Vice Chair; Davis, DeBolt, Harris, Jinkins, Maycumber, Riccelli, Robinson, Stonier, Thai and Tharinger.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Chambers.

**Staff:** Jenny Aronson (786-7290) and Jim Morishima ( 786-7191).

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*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.*

**Background:**

A nonresident pharmacy is a pharmacy located outside of Washington that ships, mails, or delivers, in any manner, except when delivered in person to an individual, controlled substances, legend drugs, or devices into the state.

Nonresident pharmacies must be licensed by the Department of Health (Department) and are required to disclose to the Department:

- an annual report containing the location, names, and titles of all owners and pharmacists employed by the pharmacy who dispense controlled substances or devices to residents;
- proof of compliance with applicable requirements from the regulatory or licensing agency of the state or Canadian province in which the pharmacy is licensed;
- proof of submission to the Department of a copy of the most recent inspection report from the state or Canadian province with which it is licensed; and
- proof that it maintains its records of controlled substances, legend drugs, or devices dispensed to patients in this state so that the records are readily retrievable from the records of other drugs dispensed.

As a prerequisite to be licensed by the Department, the nonresident pharmacy must submit a copy of the most recent inspection report issued by the regulatory licensing agency of the state or Canadian province in which it is located. Nonresident pharmacies must renew their licenses annually.

**Summary of Bill:**

A nonresident pharmacy must submit to the Department of Health a copy of the most recent inspection report conducted by an inspection program approved by the Pharmacy Quality Assurance Commission (Commission) as having substantially equivalent standards to those of the Commission. The nonresident pharmacy must submit a copy of the report both as a prerequisite to be licensed by the Department, and annually upon renewal of that license. The report must have been issued within two years of application or renewal of a license.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill assures that drugs being shipped from out of state meet the same standards as those supplied by Washington pharmacies. Nearly 40 percent of the pharmacies that ship into Washington are nonresident pharmacies. These pharmacies have no follow-up inspection report requirements after initial licensure. This creates the potential for a lack of quality checks. Washington has a robust inspection process to ensure that all licensees know what rules they must follow. This is not necessarily the case in other states, whose inspection

processes are often mainly complaint-driven. For instance, Washington has a special inspection process for pharmacies that compound drugs, which pose the highest risk to patients regarding product sterility. This bill would help ensure that out-of-state pharmacies are held to the same inspection standards.

(Opposed) None.

**Persons Testifying:** Representative Thai, prime sponsor; Tim Lynch, Pharmacy Quality Assurance Commission; and Dedi Little, Washington State Pharmacy Association.

**Persons Signed In To Testify But Not Testifying:** None.