

SENATE BILL REPORT

SB 5684

AS PASSED SENATE, MARCH 19, 1991

Brief Description: Requiring certain nonresident pharmacies to be licensed.

SPONSORS: Senators West, Niemi and Johnson; by request of Department of Health.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; Amondson, Johnson, L. Kreidler, Niemi, and Wojahn.

Staff: Suzanne Brown (786-7483)

Hearing Dates: March 6, 1991

HOUSE COMMITTEE ON HEALTH CARE

BACKGROUND:

Out-of-state, or nonresident pharmacies which currently supply drugs to state residents are not required to be licensed or regulated by the Department of Health, as are in-state pharmacies.

SUMMARY:

Pharmacies located outside Washington state which ship, mail or deliver, in any manner, controlled substances, legend drugs, or devices into the state are considered "nonresident pharmacies," and are required to be licensed by the Department of Health.

Nonresident pharmacies are required to disclose information to the Department of Health, including information about corporate ownership, identity of pharmacist employees, proof of compliance with directives and requests from home-state and Washington licensing authorities, a recent inspection report by the home-state regulatory agency, and proof that record-keeping of regulated drugs is separate from that of other drugs.

The nonresident pharmacies are required to maintain a valid home-state license, maintain a toll-free telephone service for patients, and comply with existing regulations on maintenance of patient record systems, provision of information to patients and limitations on quantities of drugs to be dispensed.

The license fee charged nonresident pharmacies is limited to that charged to resident pharmacies with an exemption provided in the case of isolated transactions.

Nonresident pharmacies are required to maintain a resident agent for service of process. Operation without a license is prohibited. The department is allowed to request information. Annual license renewal provisions are provided. The pharmacy is required either to provide to the secretary information regarding controlled substances shipped into the state or to submit to an on-site inspection if the information cannot be provided.

Disciplinary action and penalties for violation of the act are provided. Advertising by unlicensed nonresident pharmacies is prohibited. Insurers, health service contractors and HMOs are prohibited from covering or prescribing drugs purchased from non-licensed nonresident pharmacies. Insurers are required to keep proof of licensure of the nonresident pharmacies and make it available to the department on request. Certain information obtained by the department from health care insurers, HMOs or contractors is exempted from public disclosure.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The current bill represents a compromise agreement supported by the involved parties.

TESTIMONY AGAINST: None

TESTIFIED: Don Williams, Board of Pharmacy (pro); Lars Hennem, Pharmacists of Washington (pro); Joan Gaumer, MEDCO (pro)

HOUSE AMENDMENT(S):

It is clarified that pharmacies located outside the state are not required to meet the requirements of this bill if their only sales to Washington state residents occur when prescription medications or devices are physically delivered to the customer.

The term contractor is not used to describe health maintenance organizations.