

HOUSE BILL REPORT

HB 2469

As Reported by House Committee On:

Health Care

Title: An act relating to prescription drugs.

Brief Description: Authorizing certain state agencies to purchase prescription drugs from Canadian wholesalers and pharmacies.

Sponsors: Representatives Simpson, G., Campbell, Conway, Clements, Upthegrove, O'Brien, Cody, Cooper, Bush, Dickerson, Dunshee, Darneille, Hunt, Wood, Chase, Linville, Moeller, Morrell, Rockefeller, Clibborn, Lantz and Schual-Berke.

Brief History:

Committee Activity:

Health Care: 1/20/04, 1/22/04 [DP].

Brief Summary of Bill

- State agencies administering a state purchased health care program are authorized to purchase drugs from approved Canadian pharmacies or wholesalers.
- The Health Care Authority is authorized to purchase, or facilitate the purchase, of drugs from Canadian pharmacies or wholesalers.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 8 members: Representatives Cody, Chair; Morrell, Vice Chair; Campbell, Clibborn, Darneille, Edwards, Moeller and Schual-Berke.

Minority Report: Do not pass. Signed by 5 members: Representatives Bailey, Ranking Minority Member; Alexander, Benson, Rodne and Skinner.

Staff: Dave Knutson (786-7146).

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. Americans without prescription drug coverage have been purchasing prescription drugs through Canadian pharmacies or over the Internet in order to take advantage of Canadian drug prices. Several states and political subdivisions in the United States are exploring ways to take advantage of the price differential between prescription drugs sold in Canada and the United States.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, (H.R. 1) authorized the importation of prescription drugs from Canada if several conditions are met. The Secretary of the Department of Health and Human Services is required to promulgate regulations permitting pharmacists and wholesalers to import prescription drugs from Canada into the United States. In addition, the Secretary is authorized to waive the ban on importation of prescription drugs in cases where the importation is clearly for personal use, and the prescription drug or device imported does not appear to present an unreasonable risk to the individual.

Summary of Bill:

State agencies administering a state purchased health care program are authorized to purchase drugs from approved Canadian pharmacies or wholesalers. The Health Care Authority is authorized to purchase, or facilitate the purchase, of drugs from Canadian pharmacies or wholesalers. The Health Care Authority will also develop a website to facilitate the purchase of prescription drugs from Canada by Washington residents.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This proposal will allow the state and individuals to save money on their prescription drug costs.

Testimony Against: It may be premature to move forward on a Canadian drug importation program before the federal government implements rules for this practice.

Persons Testifying: (In support) Representative G. Simpson, prime sponsor; Eleanor Owen, Older Women's League and Mental Health Association of Washington; and Sherry Appleton.

(Concerns) Lis Merten, National Association of Chain Drug Stores.

Persons Signed In To Testify But Not Testifying: None.