Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Health Care Committee

HB 2469

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 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.

Hearing Date: 1/20/04

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.

House Bill Analysis - 2 - HB 2469