

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5470**

Chapter 293, Laws of 2005

59th Legislature  
2005 Regular Session

PRESCRIPTION DRUGS--NONDOMESTIC WHOLESALERS

EFFECTIVE DATE: 7/24/05

Passed by the Senate April 19, 2005  
YEAS 40 NAYS 5

BRAD OWEN

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**President of the Senate**

Passed by the House April 6, 2005  
YEAS 76 NAYS 19

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved May 5, 2005.

CHRISTINE GREGOIRE  
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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5470** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

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**Secretary**

FILED

May 5, 2005 - 10:27 a.m.

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE SENATE BILL 5470

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AS AMENDED BY THE HOUSE

Passed Legislature - 2005 Regular Session

State of Washington

59th Legislature

2005 Regular Session

**By** Senate Committee on Health & Long-Term Care (originally sponsored by Senators Franklin, Thibaudeau, Keiser, Kline, Poulsen, Berkey, Haugen, McAuliffe, Rockefeller, Shin and Kohl-Welles; by request of Governor Gregoire)

READ FIRST TIME 02/28/05.

1 AN ACT Relating to importation of prescription drugs from Canadian,  
2 United Kingdom, Irish, and other nondomestic wholesalers; adding a new  
3 section to chapter 18.64 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that as consumers'  
6 prescription drug costs continue to rise, people across the state of  
7 Washington are seeking opportunities to purchase lower cost  
8 prescription drugs from Canada, the United Kingdom, Ireland, and other  
9 countries for their personal use. The state has a strong interest in  
10 promoting the safe use of prescription drugs by consumers in Washington  
11 state. To address this interest, the legislature intends to seek  
12 authorization from the federal government to license Canadian, United  
13 Kingdom, Irish, and other nondomestic prescription drug wholesalers,  
14 thereby providing licensed retail pharmacies the opportunity to  
15 purchase prescription drugs from approved wholesalers and pass those  
16 savings on to consumers, and providing consumers the opportunity to  
17 purchase prescription drugs from a trusted community pharmacist who is  
18 aware of all of their prescription drug needs.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 18.64 RCW  
2 to read as follows:

3        (1) By September 1, 2005, the board shall, in consultation with the  
4 department and the health care authority, submit a waiver request to  
5 the federal food and drug administration that will authorize the state  
6 of Washington to license Canadian, United Kingdom, Irish, and other  
7 nondomestic prescription drug wholesalers under RCW 18.64.046, thereby  
8 providing retail pharmacies licensed in Washington state the  
9 opportunity to purchase prescription drugs from approved wholesalers  
10 and pass those savings on to consumers. The waiver shall provide that:

11        (a) Canadian, United Kingdom, Irish, and other nondomestic  
12 prescription drug wholesalers meet the requirements of RCW 18.64.046  
13 and any rules adopted by the board to implement those requirements;

14        (b) The board must ensure the integrity of the prescription drug  
15 products being distributed by:

16        (i) Requiring that prescription drugs purchased from Canadian,  
17 United Kingdom, Irish, and other nondomestic wholesalers originate only  
18 from approved manufacturing locations;

19        (ii) Routinely testing prescription drugs purchased from Canadian,  
20 United Kingdom, Irish, and other nondomestic wholesalers for safety;

21        (iii) Establishing safe labeling, tracking, and shipping procedures  
22 for prescription drugs purchased from Canadian, United Kingdom, Irish,  
23 and other nondomestic wholesalers; and

24        (iv) Closely monitoring compliance with RCW 18.64.046 and any rules  
25 adopted to implement the waiver;

26        (c) The prescription drugs purchased from Canadian, United Kingdom,  
27 Irish, and other nondomestic wholesalers must be limited to those that  
28 are not temperature sensitive or infused and for which potential  
29 savings to consumers can be demonstrated and those available through  
30 purchase by individuals only at licensed retail pharmacies;

31        (d) To ensure that the program benefits those consumers without  
32 insurance coverage for prescription drugs who are most in need of price  
33 relief, prescription drug purchases from pharmacies under the waiver  
34 will be limited to those not eligible for reimbursement by third party  
35 insurance coverage, whether public or private, for the particular drug  
36 being purchased; and

37        (e) Savings associated with purchasing prescription drugs from

1 Canadian, United Kingdom, Irish, and other nondomestic wholesalers will  
2 be passed on to consumers.

3 (2) Upon approval of the federal waiver submitted in accordance  
4 with subsection (1) of this section, the board, in consultation with  
5 the department and the health care authority, shall submit a detailed  
6 implementation plan to the governor and appropriate committees of the  
7 legislature that details the mechanisms that the board will use to  
8 implement each component of the waiver under subsection (1) of this  
9 section.

10 (3) The board shall adopt rules as necessary to implement this act.

11 NEW SECTION. **Sec. 3.** If any part of this act is found to be in  
12 conflict with federal requirements that are a prescribed condition to  
13 the allocation of federal funds to the state, the conflicting part of  
14 this act is inoperative solely to the extent of the conflict and with  
15 respect to the agencies directly affected, and this finding does not  
16 affect the operation of the remainder of this act in its application to  
17 the agencies concerned. Rules adopted under this act must meet federal  
18 requirements that are a necessary condition to the receipt of federal  
19 funds by the state.

Passed by the Senate April 19, 2005.  
Passed by the House April 6, 2005.  
Approved by the Governor May 5, 2005.  
Filed in Office of Secretary of State May 5, 2005.