



## NATIONAL CONFERENCE *of* STATE LEGISLATURES

*The Forum for America's Ideas*

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### **2004-06 State Legislation Affecting Pharmaceutical Importation**

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**Legality and Federal Law:** The Food and Drug Administration (FDA) has always held that importing drugs into the United States for personal or commercial use is not allowed by federal law and may be unsafe. However, the ban has not been enforced in most cases, leading more than half a million Americans to use the Internet or cross the border to buy drugs at prices that are sometimes 40 percent to 60 percent less than U.S. retail. Although Congress has considered making imports legal, some state legislators have sought a role for their own jurisdiction.

For 2004-2005, a sharply increased number of states examined the options or possibility of playing a role in the importation of prescription drugs. A series of high-visibility news stories and other reports citing potential savings of 40-60 percent below some U.S. retail prices have fueled interest and action by elected legislators from coast to coast.

- In 2004 least 67 bills or resolutions filed in 28 states and the District of Columbia addressed the issue of importation of prescription drugs.
- In 2005, 50 bills in 21 states address similar issues.
- In 2006, 26 bills were filed in 12 states - CA, GA, KY, MA, MN, OH, OK, PA, TN, VT, VA and WA. (For details see NCSL's "[2006 Prescription Drug State Legislation](#)."

Most but not all of the measures focus on Canada, and not all have the same purpose. Some of the legislation refers to, or requires, federal approval of the state's proposed actions.

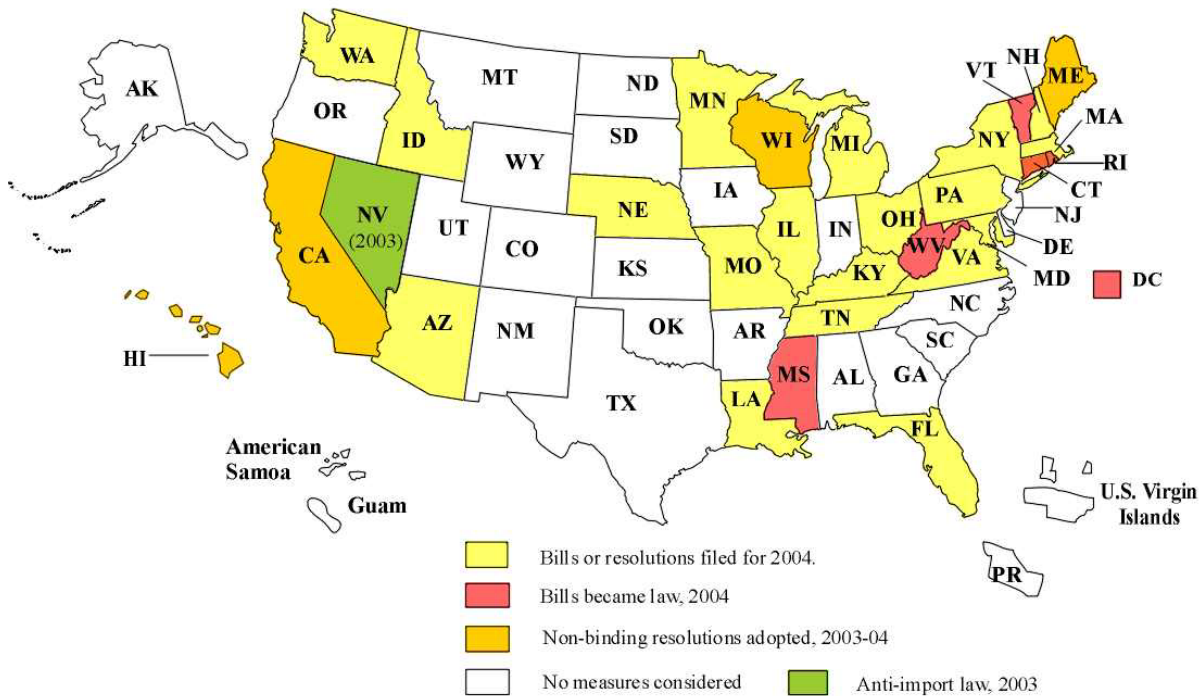
**What States Propose:** The general goal of accessing lower-priced prescription drugs from a relatively nearby, familiar or reliable source is the strong common thread among the filed bills. However the details and proposed actions vary considerably. For example, as filed, they include legislation to:

- Require establishing a state web site to "facilitate the safe purchase by residents of prescription drugs at reduced prices." (*Hawaii, Massachusetts, Minnesota, Vermont, Washington.*)
- Authorize the state and its pharmaceutical programs to purchase Canadian prescription drugs (*California, Hawaii, Washington.*)
- Allow the state Medicaid program to purchase prescriptions via Canada under some conditions (*Mississippi, California*)
- Allow pharmacies licensed in Canada to obtain a license from the state Department of Health to do business in the state. (*Rhode Island, Illinois.*)
- Establish a voluntary program to allow state employees and other enrollees to buy pharmaceuticals from Canada. (*Massachusetts, Minnesota, Ohio.*)
- Require health insurers to provide coverage for drugs purchased in Canada. (*Vermont.*)

- Join a multi-state compact including a Canadian province. (*Michigan*)
- Require the state to "evaluate the feasibility, health and safety, legal sufficiency and cost effectiveness of reimporting prescription drugs from Canada." (*Connecticut, West Virginia.*)
- Non-binding resolutions or memorials to urge the U.S. Congress or HHS to allow or to certify prescription drug importation. (*Various states - see below.*)

**2003 Law Enacted:** Although nine states considered bills or resolutions related to Rx importation, only one state enacted a law. The **Nevada** law actually prohibits filling or refilling a prescription via the Internet if the prescription drug has not been lawfully imported into the United States. This same law was repealed in 2005. In 2003, joint resolutions favorable to importation passed in **Maine** and **Vermont**.

## 2004 State Legislation Affecting Pharmaceutical Importation



© Compiled by NCSL; updated 1/1/2005. Several states have multiple bills and/or resolutions, with different outcomes. Seven states remain in session. For details regarding content and status, consult NCSL report online at: [www.ncsl.org/programs/health/drugdisc04.htm](http://www.ncsl.org/programs/health/drugdisc04.htm)

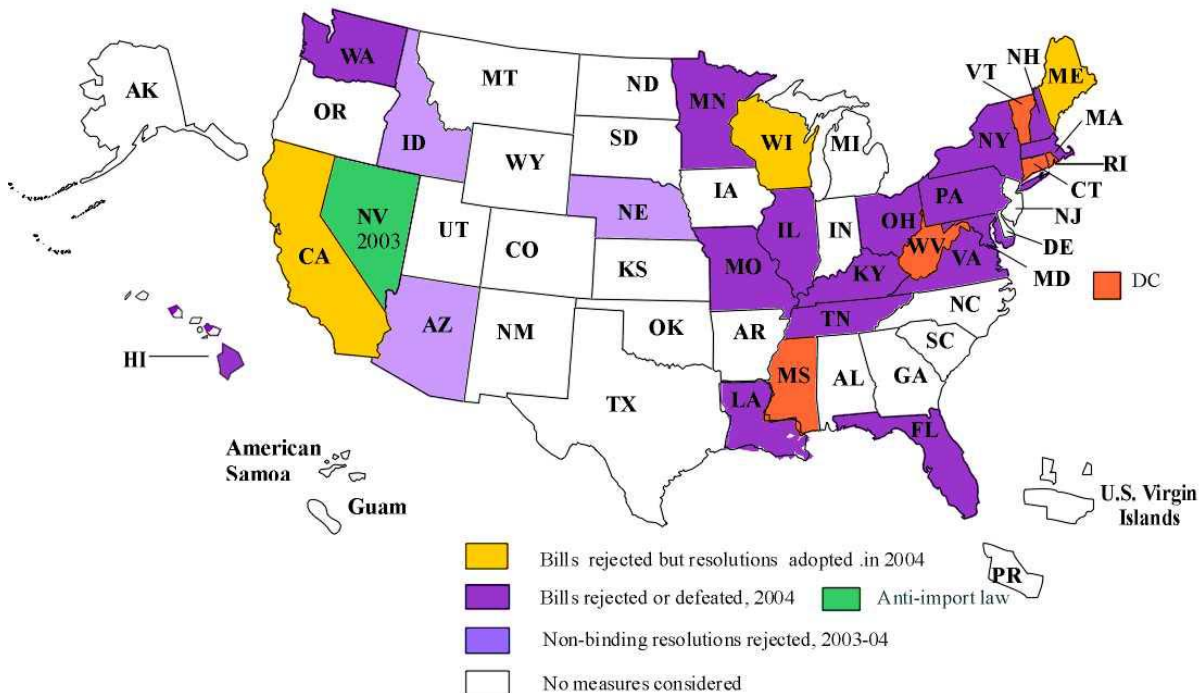
**Map Note:** The two 2004 maps reflect a "snapshot" for that year's legislative activity. They do not include the actions from 2005-06 sessions.

**2004 Laws Enacted:** In April **West Virginia** passed a first-in-the nation "pro-importation" law, with binding statutory language relating to investigating feasibility of Canadian pharmaceutical purchases. **Connecticut** and the **District of Columbia** also enacted binding investigatory language. In June, a **Vermont** bill became law that establishes a program to describe "how residents are able to purchase drugs from Canada." A **Mississippi** law authorizes Medicaid agreements and negotiations with other countries if allowed by federal law. A **Rhode Island** bill providing for state licensing of Canadian pharmacies became law in July.

In addition, non-binding resolutions passed both Houses in **California, Hawaii** and **Vermont**; similarly, a **Wisconsin** Senate resolution was adopted.

**2004 Bills Rejected:** In Maryland and New Hampshire, Canadian importation bills passed both chambers, but did not become law. In California, four different bills passed both Senate and Assembly, but all were vetoed by the governor in late September. In 21 states, measures favoring pharmaceutical importation failed to pass by the end of their respective 2004 sessions. These include Arizona, Florida, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Ohio, Tennessee, Virginia, Washington and Wisconsin.<sup>1</sup> With a different goal, a Louisiana bill proposed to make importation of prescription drugs a crime, and a Tennessee resolution proposed urge HHS to stop internet and importation sales, but these also did not pass.

2004 State Legislation Affecting Pharmaceutical Importation:  
with BILLS DEFEATED OR FAILED TO PASS



© Compiled by NCSL; updated 1/13/2005. Several states have multiple bills and/or resolutions, with different outcomes. For details regarding content and status, consult NCSL report online at: [www.ncsl.org/programs/health/drugdisc04.htm](http://www.ncsl.org/programs/health/drugdisc04.htm)

**2005 Bills Enacted:** As of November, **Vermont** had enacted a law authorizing joining the I-SaveRx, the multi-state prescription drug importation program implemented by Illinois with Wisconsin, Missouri, and Kansas in 2004. **Washington** authorized the state to regulate nonresident Canadian pharmacies and authorizes state agencies to “undertake bulk purchasing of drugs approved by the federal FDA from Canadian pharmacies. **Maine, Nevada and Texas** also enacted signed laws in June 2005.

A bill in California passed both Assembly and Senate but was vetoed by the Governor in late September. [NOTE: 2005 signed laws are listed below; filed bills in 17 additional states are not tallied in this report; the details are listed in " 2005 Prescription Drug State Legislation."]

**2006 Bills Enacted:** As of October, only **California** enacted a law to create a state web site that could have information about importation.

The list of legislation below is a work-in-progress, subject to additions. It does not include the actions taken without legislative authority by state governors or agencies, nor the actions by cities, towns, counties and private market entities. Also see the notes at the end.

## State Rx Importation Web Sites

In addition to the laws addressing importation, several governors and state agencies have launched web sites with importation information. Examples of sponsored sites in eleven states, by law and by executive initiative (as of 11/1/06, or update date in parentheses), include:

- **Illinois, Kansas, Missouri, Vermont and Wisconsin** combined as **I-SaveRx**, online at [www.i-saverx.net](http://www.i-saverx.net). Vermont joined based on a law signed in February 2005. Each state initially had a separate enrollment form but now use a common downloadable order form. As of late 2006 the program is administered by Pegasus Health Services Limited, based in Alberta, Canada. The program allows enrollees to designate which of five nations (Australia, Canada, Ireland, New Zealand and U.K.) are acceptable as the source of a patient's medications. (2/2/07).
- **Minnesota** sponsors two sites - one for residents at <http://www.state.mn.us/cgi-bin/portal/mn/jsp/home.do?agency=Rx> and a separate one for state employees, where the state may pay for Canadian purchased products, at <http://www.advantage-meds.state.mn.us/index.html> . (11/15/06).
- **Nevada** authorized a web site in a law signed June 17, 2005. The NV Board of Pharmacy was involved in implementation and a web site is now operational, run by the Governor's Office of Consumer Health Assistance, at <http://govcha.state.nv.us/CP-index.htm> . The NV Board of Pharmacy has licensed nine Canadian-based pharmacies and [provides direct web links](#) as of 2/2/07.
- **New Hampshire** - the Executive launched a site in 2004, operational at <http://www.egov.nh.gov/medicine%2Dcabinet/> It includes a direct link to [CanadaDrugs.com](http://CanadaDrugs.com) (2/2/07).
- **North Dakota** - Governor John Hoeven launched a [web site](#) in 2004, currently at <http://www.governor.nd.gov/prescription-drug.html> . It stated in part, "a third option is to purchase your brand name drugs from a Canadian pharmacy." This website is designed to help provide information so that you may make an informed choice as to whether purchasing prescription drugs from Canada is right for you " and provides a link to [CanadaDrugs.com](http://CanadaDrugs.com). (2/2/07)
- **Rhode Island** - official site sponsored by the Secretary of State Matt Brown, at <http://www.rimed.com/> . (Still operational via RIMeds, a "CanaRx Program" with a Detroit, Michigan mail address, 2/2/07)
- **Washington** authorized a web site in a law signed May 4, 2005. A web site is operational at <http://www.rx.wa.gov/prescriptionhelp/canada.shtml> in partnership with the state of Wisconsin "to allow access to their approved Canadian pharmacies", and carries the disclaimer, "These links are provided as an information service only." (2/2/07)
- **Wisconsin** has created a "Prescription Medicine List," a price search tool to compare the prices of commonly prescribed drugs offered by the approved Canadian pharmacies. <http://drugsavings.wi.gov/medicinelist.asp?locid=2&linkid=34>. A full 6-page price list is also available online at <http://drugsavings.wi.gov/docview.asp?docid=54>, dated November 2004. The state also is part of I-SaveRx, *described above under Illinois*. (11/17/06)
- **District of Columbia** City Council established a site in 2004. "[Order Low-Cost Prescriptions from Canada](#)" at <http://hc.rrc.dc.gov/hc/cwp/view,a,3,q,456095.asp> The web site connects to an order form sponsored by the state of Minnesota. (2/2/07)



**2003: State – Bill number (sponsor) – Description -- Status**

**NV [SB 337](#) Sen. Wiener**

Restricts or prohibits filling or refilling a prescription via the Internet if the prescription drug has not been lawfully imported into the United States. "A person who is located within or outside this state shall not, via the Internet, fill or refill a prescription drug if: (a) The person has reasonable cause to believe that the prescription is being filled or refilled for a person in this state; and (b) The prescription drug has not been lawfully imported into the United States." Includes as penalty: "shall be punished by imprisonment in the state prison for a minimum term of not less than 3 years and a maximum term of not more than 15 years." The law does not address mail, fax or phone prescription orders.

*(Filed 3/17/03; passed Senate and Assembly; **signed by governor** 5/15/03 as Chapter 98;*

*NOTE: Repealed in part by SB 5 of 2005, effective July 1, 2005 )*

*NOTE: seven other states considered import-related bills in 2003 but none of those were passed. They are detailed on NCSL's "2003 Prescription Drug State Legislation" report, available online.*

**2004: State – Bill number (sponsor) – Description -- Status**

**AZ - [H.M. 2001](#)**

Non-binding resolution would urge the United States Department of Health and Human Services to certify the safety of Canadian drugs for importation.

*(Filed 1/14 and sent to committees 1/27/04; failed to pass 2/12/04)*

**CA [AB 1957](#) Assemblymember Frommer**

Would require the State Board of Pharmacy to establish a Web site on or before July 1, 2005, to facilitate the safe purchase by California residents of prescription drugs at reduced prices. Requires the Web site to include price comparisons of prescription drugs, including prices charged by licensed pharmacies in the state and Canadian pharmacies that provide mail order service to the United States that meet certification requirements. Would require the Department of General Services to identify "sources other than those from which the state now purchases, including Canadian sources that meet the requirements to be listed on the Web site and established by the bill. The bill would require the department to report to the Legislature and recommend options to facilitate prescription drug importation more cost-effective acquisition of prescription drugs."

*(Passed Assembly 5/26/04; passed Senate 21y-13n, 8/26/04; vetoed by governor 9/29/04)*

**CA - [SB 1144](#) Sen. Burton**

Would provide that the manufacturers and suppliers of drugs with whom the Department of General Services is authorized to contract shall include Canadian sources. Requires a state report, to include estimated costs and savings attributable to the purchase of prescription pharmaceuticals from Canadian sources. Would also include appropriate safeguards, oversight and regulatory requirements to ensure public safety.

*(Passed Senate 23y-12n, 5/24/04; passed Assembly 51y-25n, 8/25/04; vetoed by governor 9/29/04)*

**CA [SB 1149](#) Sen. Ortiz**

Would require the Board of Pharmacy to collect and publish information concerning suppliers of prescription (or "dangerous") drugs that are located and operating outside of the United States that have violated safe shipment, handling, and processing standards. Would require a \$1500 fee from

Canadian suppliers who wish to be part of this list.

*(Passed Senate 24y-13n, 5/25/04; passed Assembly 8/27/04; vetoed by governor 9/29/04)*

CA [SB 1333](#) Sen. Perata

Would authorize the Department of Health Services to reimburse a pharmacy that provides to a Medi-Cal or AIDS Drug Assistance Program (ADAP) beneficiary a prescription drug that was purchased from a Canadian pharmacy. Provides the formula for determination of such reimbursement.

*(Filed 2/18/04; passed Senate 24y-9n; passed Assembly 8/26/04; vetoed by governor 9/29/04)*

CA [AJR 61](#) Assem. Ridley

Non-binding resolution, requests the U.S. Secretary of Health and Human Services to certify to Congress that implementation of provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, permitting the importation of prescription drugs from Canada into the United States will pose no additional risk to the public's health and safety.

*(Adopted in Assembly 46y-24n 4/22/04; Adopted in Senate 22y-13n, 7/1/04; [Chaptered by Secretary of State](#) as Resolution Chapter 111, 7/8/04)*

CA [AJR 62](#) Assem. Ridley

Non-binding resolution urges Congress to repeal Medicare law prohibitions on federal government negotiating fair prices.

*(Adopted in Assembly 45y-26n 4/22/04; Adopted in Senate 22y-12n, 7/1/04; [Chaptered by Secretary of State](#) as Resolution Chapter 112, 7/8/04)*

CT [S.B. 8](#) Rep. Bruce Zalaski

Requires that the CT Commissioner of Social Services "shall evaluate the feasibility, health and safety, legal sufficiency and cost effectiveness of reimporting prescription drugs from Canada under the ConnPACE" state Rx subsidy program, including waiving the copayment charge for such drugs. Also addresses Medicare coordination of benefits and auto enrollment.

*(Filed 2/4/04; passed Senate and House, [signed by governor](#) as Act 04-10, 4/28/04)*

DC [B15-569](#) Councilmember Catania

Provides that the Health Department "shall investigate purchases from outside the U.S."

*(Filed 11/4/03; Passed City Council 3/24/04; [signed by mayor](#) as [Act 15-410](#))*

*[Also required ratification by the U.S. Congress]*

FL [HB 1347](#) & [S 3042](#) Rep. Roberson

Would define role and responsibilities of PBMs and would allow for dispensation and purchase of Canadian prescription medicines if federally approved.

*(Filed 2/25/04; died in committee 4/30/04)*

HI [HB 1921](#)

Would direct the governor and agencies to develop, operate, and maintain a website to assist Hawaii residents in purchasing prescription drugs from Canada.

*(Filed 1/23/04; died at end of regular session 5/5/04)*

HI [HCR 70](#), [HCR 80](#), [HCR 192](#), [HR 134](#), [SCR 125](#), [SR 63](#)

Non-binding resolutions generally would urge the Congress and President to allow prescription drugs to be imported from Canada.

*(Filed 1/04; died at end of regular session 5/5/04)*

**HI [HR 47](#) & [SCR. 27](#)**

Non-binding resolution, urges support for Federal legislation authorizing the importation of prescription drugs.

*(HR 47 adopted by House 4/7/04; [sent to Congress](#) 5/14/04)*

*(Filed 2/10/04; adopted by Senate and House 4/30/04; [certified and sent to Congress](#) 5/14/04)*

**HI**

**[SB 2684](#)**

Would authorize the Department of Public Safety to purchase from Canada maintenance prescription drugs equivalent to FDA-approved drugs for its inmate population.

*(Filed 1/23/04; [died](#) at end of regular session 5/5/04)*

**HI [SB 3045](#)**

Would authorize the state and the Hawaii Rx program to purchase prescription drugs from and negotiate manufacturer's rebates with Canadian pharmaceutical companies for the benefit of non-Medicaid eligible persons and government program beneficiaries.

*(Filed 2/2/04; [died](#) at end of regular session 5/5/04)*

**ID [H.J.M. 16](#)**

Non-binding resolution would urge Congress to adopt legislation to allow people of the United States and state and local government entities to legally purchase prescription drugs in Canada.

*(Filed 2/11/04; [did not pass](#) by end of session 4/12/04)*

**IL [SB 1769](#) 2003 bill continued in 2004**

Would add Canadian pharmacies to the existing requirements for out-of-state mail order pharmacies. The state Board of Pharmacy "shall require and provide for an annual nonresident special pharmacy registration for pharmacies in a province of Canada that dispense medications for Illinois residents and mail, ship, or deliver prescription medications into this State." Such pharmacies must meet six operational requirements, including being licensed in the state or Canadian province where it is located, that it complies with all board regulations and that it have a toll-free number for consumer use.

*(Filed and sent to committee 2/20/03; [did not pass](#) by end of 2004 session 12/04)*

**IL [HB 6787](#) Rep. Mulligan**

Provides that if the State allows or provides incentives for State employees or State retirees to purchase prescription drugs from a pharmacist or other distributor located in a country other than the United States, then the Department of Public Health must develop and implement a certification program for those foreign drugs.

*(Filed 2/9/04; [did not pass](#) by end of 2004 session 12/04)*

**IL [HJR 56](#) Rep. Franks**

Non-binding resolution, would urge Congress to pass legislation allowing purchase of prescription drugs in Canada.

*(Filed 2/4/04; [did not pass](#) by end of 2004 session 12/04)*

**IL [SB 2608](#)** Sen. Obama

Would require the Senior Health Assistance Program Clearinghouse to provide information concerning the purchase of prescription drugs from sources outside Illinois. Also would require the Governor to request the U.S. Department of Health and Human Services to license the Senior Health Assistance Program to act as an agent for Illinois senior citizens.

*(Filed 2/4/04; did not pass by end of 2004 session 12/04)*

**IL [SB 2609](#)** Sen. Obama

Would expand the definition of "mail-order pharmacy" and requirements concerning registration of mail-order pharmacies to include pharmacies located outside of the US, including Canada.

*(Filed 2/4/04; did not pass by end of 2004 session 12/04)*

**KY [SS-SB 7](#)** (Special Session)

Would propose to establish a program to allow public employees and the Medicaid program to purchase prescription drugs from Canada, as part of reform of state employee health plan. Would request a federal waiver where needed.

*(Filed for special session of 10/7/04; did not pass by end of session)*

**LA [HB 894](#)** Rep. Dorsey

Would make importation of prescription drugs a crime, with exemptions for pharmacists and other health professionals.

*(Filed 3/19/04; did not pass by end of '04 session, 6/21/04)*

**ME [SP 380](#)** Sen. Mayo

*(2003 Resolution)*

Resolution calls on GlaxoSmithKline and other drug manufacturers to stop the boycott of furnishing drugs to Canadian pharmacies that fill prescription drugs for U.S. citizens.

*(Adopted by House and Senate 3/4/03)*

**MD [SB 167](#)** Sen. Pinsky

Would require the Secretary of Health and Mental Hygiene, in coordination with the Secretary of Budget and Management, to implement a Canadian Mail Order Plan for prescription drugs; requires the Canadian Mail Order Plan to provide prescription drugs to specified participants; authorizes the Secretary of Health and Mental Hygiene to include enrollees and recipients of other State prescription drug programs in the Canadian Mail Order Plan.

*(Filed 1/23/04; passed Senate 3/31/04; passed House with amendments 4/9/04; did not pass by end of session 4/11/04)*

**MA [S 494](#)** -- 2003 bill, continues in 2004:

Would create a new "office of pharmaceutical purchasing for the purpose of negotiating for the purchase of prescription drugs without the commonwealth, including but not limited to, Canadian sources." (Note: A pending amendment, 9/03, would change a purpose to "providing information to residents of the commonwealth regarding the purchase of prescription drugs from sources within and without the commonwealth, including but not limited to, Canadian sources" and shall act as a central agency through which residents of the commonwealth may obtain information.)

*(Filed 1/1/03; carried over to 2004; sent to inactive study as S 2294, did not pass by end of regular session 7/31/04)*

**MA [S. 2400](#)** Senate Ways & Means Comm.



Floor amendments 1) provide for a state web site and an Office of Pharmaceutical Information to assist residents with purchasing prescription drugs from Canada. 2) Would establish a voluntary program to allow state employees and retirees, as well as Mass Health and Prescription Advantage enrollees to purchase Rx from licensed Canadian pharmacies approved by the state. 3) Would establish an Rx Fair Pricing program, including bulk purchasing, a PDL with "strict consumer protection and timeliness standards" and negotiated manufacturer discounts and supplemental rebates.

*(Amendments passed by Senate 5/27/04; did not pass Conference Committee 6/20/04)*

**MI** [HB 4289](#) & [SB 69](#) Rep. Vagnozzi & Sen. Brater

Would create the Midwest pharmaceutical compact to provide an enlarged pool for the purchase of pharmaceutical products and services for all Medicaid recipients, publicly insured or uninsured health care recipients, and any other people who the commission deems eligible who reside in the compacting states that are party to this compact. Eleven states from Illinois and Kansas to North Dakota and Ohio and the Province of Ontario, Canada, would be eligible to become party to this compact.

*(Filed 1/28/03; bills did not pass by end of '03 & '04 session 12/04)*

**MN** [HF 1998](#) & [SF 1966](#)

Would create interstate prescription drug bulk purchasing programs, to include drug price negotiations with Canadian pharmacies.

*(Filed and sent to committee, 2/12/04; did not pass by end of session 5/04)*

**MN** [HF 2293](#)

Would require the Commissioner of Human Services to implement a program to obtain discounted prescription drugs through Canadian pharmacies; establishes a Web site for ordering prescription drugs; provides state and local employee health plans, state health care programs, health plan companies, and Minnesota residents access to discounted prescription drugs.

*(Filed and sent to committee 2/19/04; did not pass by end of session 5/04)*

**MN** [HF 2697](#)

Would authorize the purchase of prescription drugs from foreign nations for county jail inmates under certain circumstances; provides health care insurance coverage or health care services to county jail inmates.

*(Filed and sent to committee 3/3/04; did not pass by end of session 5/04)*

**MS** [HB 1434](#) Rep. Morris

A Medicaid and prescription drugs omnibus bill which authorizes agreements and negotiations with other countries to facilitate the acquisition of prescription drugs, if allowed by federal law and if it will lower the acquisition costs of those drugs.

*(Signed by governor, 5/26/04)*

**MO** [S.C.R. 28](#)

Non-binding resolution would urge the President of the United States to lift the ban on Canadian pharmaceuticals.

*(Filed 1/20/04; did not pass by end of regular session 5/14/04)*

**NE** [LR 331](#) Senator Schimek

Resolution proposed to study issues surrounding the high costs of prescription drugs and the

availability of prescription products to consumers in Nebraska, including "The availability and affordability of safe prescription drugs from Canada."  
(Filed 3/30/04; did not pass by end of session)

**NH - S.B. 434**

Would authorize the state Commissioner of the Department of Administrative Services to establish a program to import prescription drugs from Canada.

[Also see Governor's [Canadian Prescription Drug Report](#), 3/31/04]

(Passed Senate 3/11/04; amended & passed House 5/5/04; did not pass Conference Comm. 5/25/04)

**NY [A 9298](#)** Assm. Hooper

Would authorize licensed distributors to purchase and distribute certain drugs and pharmaceuticals purchased from international drug companies.

(Filed 12/30/03, held in committee 3/16/04, did not pass by end of session 12/04)

**OH SB 264**

Would create the Drug Importation Program; provides that a public employee benefit plan that provides coverage for prescription drugs may purchase drugs approved by the United States Food and Drug Administration from a terminal distributor or a wholesale distributor of dangerous drugs located outside the United States that has been approved by the State Board of Pharmacy.

(Filed and sent to committee 9/9/04; did not pass by end of session)

**PA [HR 155](#)** Rep. George (2003 carried over to 2004)

Non-binding resolution would urge the Governor to request that GlaxoSmithKline end efforts to keep PA residents from purchasing from Canadian retailers.

(Filed and sent to committee 3/24/03; held in committee; did not pass by end of session 12/04)

**PA [HR 645](#)** Rep. DeLuca

Non-binding resolution, requests the US Congress to "enact legislation to lift current barriers that prevent the importation of drugs from Canada."

(Filed and sent to committee 3/31/04; held in committee; did not pass by end of session 12/04)

**RI - [H.B. 7199](#)**

Would allow certain Canadian pharmacies to obtain a license to dispense prescriptions; would take effect upon passage.

(Filed and sent to committee, 1/14/04; did not pass by end of session 6/04; see H 7320 below)

**RI - [H.B. 7320](#) & [S.B. 2160](#)**

Allows pharmacies licensed in Canada to obtain a license from the RI Department of Health to do business in RI. The primary requirement is payment of an annual license fee to the state. The RI Board of Pharmacy may exercise its authority in the event of misconduct by such pharmacy. The law would take effect 1/15/05 and would be repealed on 12/31/07 unless reenacted.

Note: The FDA sent a letter to Gov. Carcieri on 7/1/04 stating this law would directly violate the federal Food, Drug and Cosmetic Act.

(H 7320 passed House 4/27/04; passed Senate 6/24/04; S. 2160 passed Senate 4/29/04; passed House 6/24/04; both sent to governor 6/25/04; became law without signature 7/1/04)

**TN [H.B. 2173](#) & [S.B. 2545](#)**

Would require the Governor and State Insurance Committee to request federal approval for importation of prescription drugs from Canada; proposal to contain protections to insure only quality prescription drugs are imported.

*(Filed and sent to committees 1/04; did not pass by end of regular session 5/21/04)*

TN [SR 158](#) Sen. McNally

Non-binding Senate resolution, would urge the US Secretary of HHS to "take necessary steps to stop sale and importation of prescription drugs" over the Internet.

*(Filed 4/1/04; favorable committee report 4/28/04; did not pass by end of regular session 5/21/04)*

VT [JRS 17](#) Sen. Sears

Non-binding joint resolution urges GlaxoSmithKline corporation to "immediately resume prescription drug deliveries to Canadian-based mail-order pharmacies."

*(Passed by House and Senate, 2/26/03)*

VT [H. 502](#) Rep. Obuchowski

Would require the state, municipalities, and school boards to purchase drugs covered by a health benefit plan from Canadian sources.

*(Filed 1/6/04; did not pass by end of regular session 5/20/04)*

VT [H. 768](#) Fiscal Year 2005 Appropriations Act.

Would provide that the state "shall establish a program to describe how Vermont residents are able to purchase prescription drugs from Canada. This program shall provide information about ordering prescription drugs through the mail or otherwise from a participating Canadian pharmacy. The department shall establish a website and written information regarding the program."

*(Passed House and Senate 5/20/04, signed by governor as Act 122, 6/10/04)*

VT [H. 728](#) Rep. Tracy

Would direct the state to establish a program to provide for and facilitate the purchase of prescription drugs from Canada.

*(Filed 2/6/04; did not pass by end of regular session 5/20/04)*

VT [S 276](#) Sen. Bloomer

Would direct the department of Prevention, Assistance, Transition, and Health Access (PATH) to establish a program to publicize and facilitate the purchase of prescription drugs from Canada by providing information to consumers.

*(Filed 12/23/03; did not pass by end of regular session 5/20/04)*

VT [S 288](#) Sen. Leddy

Would specify that the state shall establish a program to describe how residents are able to purchase prescription drugs from Canada, including mail-order options and a state-sponsored website. Would specify that any health insurer "shall provide coverage for prescription drugs purchased outside this country on the same terms and conditions as prescription drugs purchased in this country."

*(Filed and sent to committee 1/13/04; passed Senate 3/17/04; did not pass by end of regular session 5/20/04)*

VT [JRS 40](#) Sen. Leddy,  
Non-binding resolution urges Governor James Douglas to establish a drug reimportation program for the state.  
(Filed 1/6/04; passed Senate and House, 1/21/04 as Resolution R235)

VA [HB 190](#) Delegate Black  
Would provide for reimportation of prescription drugs from Canada for insured state employees.  
(Filed and sent to committee 1/14/04; tabled, did not pass House, 2/14/04)

VA [HJR 199](#) Delegate Armstrong  
Would memorialize Congress to remove restrictions of purchasing of prescriptions drugs from Canada.  
(Filed and sent to committee 1/14/04; did not pass; carried over to 2005, 2/11/04)

WA [H.B. 2469](#) Rep. Simpson  
Would authorize certain state agencies to purchase prescription drugs from Canadian wholesalers and pharmacies. Requires the states to create a web site regarding opportunities to purchase prescription drugs from Canada and the best means to ensure that any prescription drugs they purchase have been safely manufactured. Amended version adds, "Agencies administering a state-purchased health care program shall not implement the provisions of this act relating to the bulk purchasing of prescription drugs from Canada until federal statutory or regulatory action is taken to authorize such purchasing."  
(Passed House 90y-7n, 2/13/04; did not pass Senate by end of regular session 3/11/04)

WV [HB 4084](#) - Del. Michael  
The WV Pharmaceutical Availability and Affordability Act requires the state to "investigate the feasibility of purchasing prescription drugs from sources in Canada, which may include the feasibility of the state ... serving as a wholesale distributor of prescription drugs in the state."  
Provides for the state to seek a federal waiver to allow Canadian purchases, "provided however if such waiver is not granted the commission is authorized to take whatever legal action may be necessary."  
(Filed 1/20/04; passed House 1/22/04; passed Senate and Conference 3/13/04; signed by governor 4/8/04)

WI [AJR 71](#) Rep. Pocan & [SJR 46](#) Sen. Robson  
Non-binding resolution would urge Congress to enact legislation allowing individuals and pharmacies to import prescription medicines purchased in other countries that have regulatory safeguards for the manufacture and distribution of drugs comparable to regulatory safeguards in the United States.  
(AJR 71 passed Assembly; did not pass in Senate; SJR 46 failed to be adopted 3/31/04)

WI [SR 31](#) Sen. Brown  
Non-binding Senate resolution, urges Congress and the administration to "address the significant price disparity in the international trade of brand name prescription drugs by creating a safe and legitimate program for prescription drug importation or through negotiated trade agreements with other industrialized nations."

(Filed 3/4/04; **final action: passed Senate** 3/9/04)

<b>2005: State – Bill number (sponsor) – Description -- Status</b>
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**ME** [HP 369/ LD 494](#) Rep. Campbell

Establishes a prescription drug program to provide access to prescription drugs from out of the State and out of the country, including Canada, to residents of the State who are 62 years of age and older or have disabilities.

(Filed 2/1/05; passed House and Senate 5/18/05; **signed by governor** as Chapter 165, 5/20/05)

**NV** [SB 5](#) (Special session)

Authorizes the Board of Pharmacy to license pharmacies based in Canada, if they meet all state standards, pass inspections, and provide detailed records; also authorizes establishing a Nevada website to assist residents in obtaining information about Canadian pharmacy sources and costs, including direct links to those pharmacies that are granted a Nevada pharmacy license. Effective date: July 1, 2005.

(Filed 6/7/05 in special session; passed Senate and House; **signed by governor** 6/17/05)

News UPDATES 1/4/06 - Attorney General George Chanos said late December in a non-binding opinion that the program can't go forward because drugs imported from Canada don't meet U.S. Food and Drug Administration standards. A Nevada Legislative Commission subcommittee on May 4, 2006 approved regulations for a program that will allow state residents to purchase preapproved prescription drugs from online Canadian pharmacies. The program, established under a state law enacted last year, likely will begin this week ([Nevada Appeal](#), 5/5/06). Under the regulations, Canadian pharmacists licensed by the [Nevada State Board of Pharmacy](#) can fill and mail to state residents prescription drugs that appear in the Orange Book and HC-DPD, which list medications approved in the U.S. and Canada, respectively. The regulations also require prescription drugs to meet the manufacturing requirements of FDA and the Therapeutic Products Directorate of Health Canada; have a dosage that appears in the Orange Book and HC-DPD; and come from the onsite inventory systems of online Canadian pharmacies. In addition, Canadian pharmacists cannot mail prescription drugs in liquid, injectable or intravenous forms or medications that require refrigeration or other special handling during shipment ([Kaiser Daily Health Policy Report](#), 4/24). The state pharmacy board has inspected and approved four Canadian online pharmacies to participate in the program, and a Web site established by the state will include links to those pharmacies. Louis Ling, counsel for the state pharmacy board, said that Canadian pharmacists licensed by the board have to adhere to the same disciplinary rules as pharmacists in Nevada, adding that the state can file complaints against Canadian pharmacists with Canadian pharmacy board officials ([Las Vegas Review-Journal](#), 5/5/06).

**Comments.** State Assembly Minority Leader Barbara Buckley (D), who sponsored the law, said that the program will allow Nevada residents to purchase safe, affordable prescription drugs "while we wait for the federal government to do something." However, state Sen. Mark Amodei (R), the only member of the subcommittee to vote against approval of the regulations, raised concerns about whether Nevada residents could file lawsuits against Canadian pharmacists who improperly fill prescriptions ([Nevada Appeal](#), 5/5/06)."

**TX** [SB 410](#), Rx language from HB 173 by Rep. Hochberg

Authorizes creation of a state-run Web site to help Texans buy prescription drugs from Canada, including listing approved Canadian prescription drug distributors. The pharmacy board would be required to inspect up to 10 Canadian pharmacies and assure they meet U.S. Food and Drug Administration, state and Canadian standards as well as safe-shipping codes.

(Filed 2/14/05; passed Senate 5/5/05; passed House 5/23/05; **signed by governor** 6/18/05)

News Update 12/22/05: The state law intended to help Texas consumers buy less expensive prescription drugs from Canada was analyzed as violating federal law by Attorney General Greg Abbot. (Houston Chronicle)



VT S 49 Finance Comm.

Authorizes Vermont to join I-SaveRx, a multi-state prescription drug importation program implemented by Illinois with Wisconsin, Missouri, and Kansas in 2004 . Provides for a separate Vermont web site and state oversight through the "Joint Work Group." Implementation to be completed by May 1, 2005.

(S 49 Passed House 2/9/05; passed Senate 1/27/05; signed by governor as Act 2, 2/17/05)

WA HB 1168, Rep. Appleton HB 1194 Rep. Simpson

Authorizes the State Board of Pharmacy to regulate nonresident Canadian pharmacies; authorizes state agencies to “undertake bulk purchasing of drugs approved by the federal FDA from Canadian pharmacies and wholesalers.” Effective date: July 24, 2005.

(Filed 1/18/05; HB 1168 passed House 54y-41n, 2/25/05; passed Senate 33y-14n, 4/6/05; signed by governor as Chapter 275, 5/4/05) |

(HB 1194 passed House 56y-42n, 2/16/05; held in House 4/24/05)

<b>2006: State – Bill number (sponsor) – Description -- Status</b>
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CA AB 2877 Assm. Frommer

Would establish the California Rx Prescription Drug Web Site Program, which would provide information to California residents about options for obtaining prescription drugs at affordable prices, by July 2008. The web site could also provide information about drug importation.

(passed Assembly 5/31/06; passed Senate 22y-14n, 8/31/06; signed by governor as Chapter 720 of 2006, 9/29/06) |

### ***NCSL Sources***

*This document includes excerpts from NCSL’s “2004 State Prescription Drug Legislation” at <http://www.ncsl.org/programs/health/drugdisc04.htm>,*

*“2005 State Prescription Drug Legislation” available at <http://www.ncsl.org/programs/health/drugdisc05.htm>*

*“2006 State Prescription Drug Legislation” available at <http://www.ncsl.org/programs/health/drugbill06.htm>*

NOTE:

1. *In Hawaii the legislature approved two non-binding resolutions to Congress, but failed to pass legislation with binding statutory requirements. In California, four different bills passed both Senate and Assembly, but all were vetoed by the governor in September 2004.*

### ***Articles and Opinions***

[Minnesota's seniors buy fewer Canadian drugs](#) - Star-Tribune, July 12, 2006

[Canadian drugs beat Medicare, many say](#) -by Detroit Free Press, 6 April 2006

<b>Rx Seizures Increasing</b>
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Adopted from Wall Street Journal by Health Beat, July 24, 2006.

Thousands of U.S. residents are having their prescription drug orders from Canada seized as a result of a policy change last November that some lawmakers and other critics allege is "intended to protect U.S. drug makers' sales at high domestic prices," the *Wall Street Journal* reports.

In the past, U.S. Customs and Border Protection and the FDA "had tended to turn a blind eye" toward individuals' drug purchases from Canada, but, as of Nov. 17, 2005, Customs has been regularly intercepting packages from Canadian pharmacies, the *Journal* reports. The policy change has resulted in the confiscation of 37,154 prescription drug orders. FDA said it began seizing packages because a large portion of drugs sent from Canada are counterfeit and might be unsafe for consumers, although some U.S. lawmakers from both parties have "cast doubt on the safety argument," according to the *Journal* (Carreyrou, *Wall Street Journal*, 7/24).

The Senate this month voted 68-32 to approve an amendment that would prohibit seizures by U.S. Customs and Border Protection of prescription drugs purchased from Canadian pharmacies by U.S. residents ([iHealthBeat](#), 7/12).

Some critics suspect that the seizures are part of a campaign to encourage seniors to enroll in the new Medicare prescription drug benefit. Customs denies any connection between the new seizure policy and the Medicare drug plan. Customs spokesperson Lynn Hollinger said, "We're an independent government agency, and we are charged with enforcing the law."

Ken Johnson, senior vice president of the Pharmaceutical Research and Manufacturers of America, said, "Consumers may be risking their health by purchasing imported prescription drugs from purported Canadian Internet pharmacies - which have been known to sell fake and potentially unsafe medicines to unknowing American consumers - and may be run by shady dealers in countries such as India, China and North Korea" (*Wall Street Journal*, 7/24).

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