

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Health Care to which was referred Senate Bill No. 175
3 entitled “An act relating to the wholesale importation of prescription drugs into
4 Vermont, bulk purchasing, and the impact of prescription drug costs on health
5 insurance premiums” respectfully reports that it has considered the same and
6 recommends that the House propose to the Senate that the bill be amended by
7 striking out all after the enacting clause and inserting in lieu thereof the
8 following:

9 Sec. 1. 18 V.S.A. chapter 91, subchapter 4 is added to read:

10 Subchapter 4. Wholesale Prescription Drug Importation Program

11 § 4651. WHOLESAL IMPORTATION PROGRAM FOR PRESCRIPTION

12 DRUGS; DESIGN

13 (a) The Agency of Human Services, in consultation with interested
14 stakeholders and appropriate federal officials, shall design a wholesale
15 prescription drug importation program that complies with the applicable
16 requirements of 21 U.S.C. § 384, including the requirements regarding safety
17 and cost savings. The program design shall:

18 (1) designate a State agency that shall either become a licensed drug
19 wholesaler or contract with a licensed drug wholesaler in order to seek federal
20 certification and approval to import safe prescription drugs and provide
21 significant prescription drug cost savings to Vermont consumers;

1 (2) use Canadian prescription drug suppliers regulated under the laws of
2 Canada or of one or more Canadian provinces, or both;

3 (3) ensure that only prescription drugs meeting the U.S. Food and Drug
4 Administration’s safety, effectiveness, and other standards shall be imported
5 by or on behalf of the State;

6 (4) import only those prescription drugs expected to generate substantial
7 savings for Vermont consumers;

8 (5) ensure that the program complies with the tracking and tracing
9 requirements of 21 U.S.C. §§ 360eee and 360eee-1 to the extent feasible and
10 practical prior to imported drugs coming into the possession of the State
11 wholesaler and that it complies fully after imported drugs are in the possession
12 of the State wholesaler;

13 (6) prohibit the distribution, dispensing, or sale of imported products
14 outside Vermont’s borders;

15 (7) establish a fee on each prescription or establish another financing
16 mechanism to ensure that the program is funded adequately in a manner that
17 does not jeopardize significant consumer savings; and

18 (8) include a robust audit function.

19 (b) On or before January 1, 2019, the Secretary of Human Services shall
20 submit the proposed design for a wholesale prescription drug importation

1 program to the House Committee on Health Care and the Senate Committees
2 on Health and Welfare and on Finance.

3 § 4652. MONITORING FOR ANTICOMPETITIVE BEHAVIOR

4 The Agency of Human Services shall consult with the Office of the
5 Attorney General to identify the potential, and to monitor, for anticompetitive
6 behavior in industries that would be affected by a wholesale prescription drug
7 importation program.

8 § 4653. FEDERAL COMPLIANCE

9 (a) On or before July 1, 2019, the Agency of Human Services shall submit
10 a formal request to the Secretary of the U.S. Department of Health and Human
11 Services for certification of the State’s wholesale prescription drug importation
12 program.

13 (b) The Agency of Human Services shall seek the appropriate federal
14 approvals, waivers, exemptions, or agreements, or a combination thereof, as
15 needed to enable all covered entities enrolled in or eligible for the federal 340B
16 Drug Pricing Program to participate in the State’s wholesale prescription drug
17 importation program to the fullest extent possible without jeopardizing their
18 eligibility for the 340B Program.

19 § 4654. IMPLEMENTATION PROVISIONS

20 Upon certification and approval by the Secretary of the U.S. Department of
21 Health and Human Services, the Agency of Human Services shall begin

1 implementation of the wholesale prescription drug importation program and
2 shall begin operating the program within six months following the date of the
3 Secretary's approval. As part of the implementation process, the Agency of
4 Human Services shall, in accordance with State procurement and contract
5 laws, rules, and procedures as appropriate:

6 (1) become licensed as a wholesaler or enter into a contract with a
7 Vermont-licensed wholesaler;

8 (2) contract with one or more Vermont-licensed distributors;

9 (3) contract with one or more licensed and regulated Canadian suppliers;

10 (4) engage with health insurance plans, employers, pharmacies, health
11 care providers, and consumers;

12 (5) develop a registration process for health insurance plans,
13 pharmacies, and prescription drug-administering health care providers who are
14 willing to participate in the program;

15 (6) create a publicly available source for listing the prices of imported
16 prescription drug products that shall be made available to all participating
17 entities and consumers;

18 (7) create an outreach and marketing plan to generate program
19 awareness;

20 (8) starting in the weeks before the program becomes operational, create
21 and staff a hotline to answer questions and address the needs of consumers,

1 employers, health insurance plans, pharmacies, health care providers, and other
2 affected sectors;

3 (9) establish the audit function and a two-year audit work-plan
4 cycle; and

5 (10) conduct any other activities that the Agency determines to be
6 important for successful implementation of the program.

7 § 4655. ANNUAL REPORTING

8 (a) Annually on or before January 15, the Agency of Human Services shall
9 report to the House Committee on Health Care and the Senate Committees on
10 Health and Welfare and on Finance regarding the operation of the wholesale
11 prescription drug importation program during the previous calendar year,
12 including:

13 (1) which prescription drugs were included in the wholesale importation
14 program;

15 (2) the number of participating pharmacies, health care providers, and
16 health insurance plans;

17 (3) the number of prescriptions dispensed through the program;

18 (4) the estimated savings to consumers, health plans, employers, and the
19 State during the previous calendar year and to date;

20 (5) information regarding implementation of the audit plan and audit
21 findings; and

1 (6) any other information the Secretary of Human Services deems
2 relevant.

3 (b) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall
4 not apply to the report to be made under this section.

5 Sec. 2. WHOLESALE IMPORTATION PROGRAM; CONDITION FOR
6 IMPLEMENTATION

7 The Agency of Human Services shall be required to design and commence
8 implementation of the wholesale prescription drug importation program
9 described in Sec. 1 of this act only to the extent that funds are appropriated for
10 this purpose in the budget bill enacted by the General Assembly for fiscal year
11 2019 or are otherwise made available.

12 and that after passage the title of the bill be amended to read: “An act
13 relating to the wholesale importation of prescription drugs into Vermont”

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17 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE

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