

**S.175: Section by section summary passed by House Health Care Committee  
(including House Ways and Means amendments)**

**An act relating to the wholesale importation of prescription drugs into Vermont  
(title amended per House Health Care Committee amendment)**

Prepared by Jennifer Carbee, Legislative Counsel  
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**Sec. 1. Wholesale prescription drug importation program**

- Directs the Agency of Human Services (AHS) to design a program for wholesale importation of prescription drugs from Canada that complies with federal requirements
- The program design must include:
  - designation of a State agency to either become a licensed drug wholesaler or contract with a licensed drug wholesaler
  - use of Canadian prescription drug suppliers
  - ensuring that only prescription drugs meeting FDA standards, including those for safety and effectiveness, are imported
  - importing only drugs expected to generate substantial savings for Vermonters
  - compliance with federal tracking and tracing requirements
  - prohibitions on distributing, dispensing, and selling imported prescription drugs outside Vermont
  - ~~establishment~~ *recommendation of a charge per prescription or other method of support* to ensure the program is adequately funded without jeopardizing significant consumer savings
  - a robust audit function
- By January 1, 2019, AHS must submit the proposed design to the General Assembly
- By July 1, 2019, AHS must apply to the federal government for certification of the program
  - AHS must also seek appropriate federal approvals and waivers to allow 340B covered entities to participate in the wholesale importation program to the fullest extent possible without jeopardizing their 340B eligibility
- *AHS cannot implement the program until the General Assembly enacts legislation establishing a charge per prescription or another method of financial support for the program*
- *Upon the last to occur of the General Assembly enacting a method of financial support and receipt of* AHS must begin *implementing the program and must be* operating the program within 6 months following federal approval, including:
  - becoming licensed as a wholesaler or contracting with a Vermont-licensed wholesaler
  - contracting with one or more Vermont-licensed distributors
  - contracting with one or more licensed, regulated Canadian suppliers
  - engaging with stakeholders
  - developing a registration process for willing participants - health insurance plans, pharmacies, prescription drug-administering providers
  - creating a publicly available source to list the prices of the imported drugs
  - creating an outreach and marketing plan
  - creating and staffing a hotline to assist and answer questions from affected parties

- establishing an audit function and two-year audit work-plan cycle
- AHS must report annually to the General Assembly by January 15 on the operation of program during the previous year, including:
  - which drugs were included
  - number of participating pharmacies, health care providers, health insurance plans
  - number of prescriptions dispensed through program
  - estimated savings to consumers, health plans, employers, and the State, both during the previous year and to date
  - information on implementation of the audit plan and audit findings

**Sec. 2. Program design contingent on funding**

- Specifies that AHS is only required to design *and commence implementation of* the wholesale prescription drug importation program to the extent that funds are appropriated in the FY19 budget bill or are otherwise made available