MEMO

RESEARCH DIVISION
LEGISLATIVE COUNSEL BUREAU
Connecting People to Policy

DATE: February 26, 2020

TO: Senator Yvanna D. Cancela

FROM: Patrick B. Ashton, Senior Policy Analyst, Research Division

SUBJECT: **Purchasing Prescription Drugs From Canadian Pharmacies**

This memorandum responds to your question concerning purchasing prescription drugs from Canadian pharmacies, which became law during the 2005 Legislative Special Session.

SUMMARY

Since 2005, Canadian pharmacies have been allowed to provide prescription drugs by mail order to Nevada residents. In order to do so, a Canadian pharmacy must be licensed by the State Board of Pharmacy. The Board must notify the Office of Consumer Health Assistance (OCHA), Department of Health and Human Services, each time it licenses a Canadian pharmacy and recommend that the pharmacy be included on the OCHA website. Since December 2012, no Canadian pharmacies have been licensed by the Board, according to information on the OCHA website.

Senate Bill 5, which passed during the 2005 Special Session, established the Canadian pharmacy prescription drug purchasing program. Senate Bill 5 was derived from Assembly Bill 195 in the 2005 Regular Session. The measure was codified in Chapter 639 of *Nevada Revised Statutes* (NRS).

LEGISLATIVE HISTORY

Assemblywoman Barbara Buckley, Chair of the Committee on Commerce and Labor during the 2005 Legislative Session, was the primary sponsor of AB 195, in addition to 39 cosponsors and 12 joint sponsors. She argued that Nevada residents must have a safe way to purchase lower cost prescription drugs from licensed Canadian pharmacies. The measure was amended three times, one time in the Assembly and two times in the Senate (Amendment 926 and 1094). The Assembly did not concur to Amendment 1094, which would have required a federal waiver or other form of approval to operate the OCHA website with the Canadian pharmacy information. During a conference committee, the Senate receded from this latest amendment and the Assembly adopted the conference report. However, the Senate did not adopt the report before the 2005 Regular Session ended sine die on June 6, 2005.

The 2005 Special Session commenced the day after on June 7, 2005, and ended on the same day. During the Special Session, AB 195 was agreed to during the conference committee, converted to SB 5, and passed both houses. The bill became effective on July 1, 2005.

LAW REQUIREMENTS

The bill was codified in Chapter 639 of NRS. A Canadian pharmacy must adhere to certain licensing requirements before being able to sell prescription drugs to Nevada residents. Additionally, there are certain limitations on the types and amounts of prescription drugs that can be sold.

LICENSING REQUIREMENTS FOR CANADIAN PHARMACIES

Pursuant to NRS 639.2328, every pharmacy outside of Nevada that provides mail order service must be licensed by the Board, which includes Canadian pharmacies. To be licensed, a pharmacy must:

- Be a licensed pharmacy in the state or country in which its dispensing facilities are located;
- Comply with federal laws and regulations;
- Complete an application furnished by the Board with certain information and pay a licensing fee;
- Submit evidence of compliance to the Board that the pharmacy adheres to the laws and regulations of the state or country in which the pharmacy is located;
- Submit certification to the Board that the pharmacy complies with all lawful requests and directions from the regulatory board or licensing authority of the state or country in which the pharmacy is located relating to the shipment, mailing, or delivery of prescription drugs;
- Be certified by the Board pursuant to NRS 639.23288 if the pharmacy operates an Internet pharmacy; and
- Allow to be inspected by the Board.

PRESCRIPTION DRUGS THAT CANNOT BE SOLD BY A CANADIAN PHARMACY

Nevada Revised Statutes 639.23284 specifies that a Canadian pharmacy licensed in Nevada is prohibited from selling, distributing, or furnishing to Nevada residents: (1) a controlled substance; (2) a prescription drug, either brand or generic, that has not been approved or has a withdrawn or suspended approval by the federal Food and Drug Administration; or (3) providing more than a 3-month supply of a prescribed drug at one time.

CONCLUDING REMARKS

I hope this information is helpful. Please let me know if you need any additional information.

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