

68 RCW and the lawful orders, rules, and regulations of the board, the board will issue a certificate of authority.

Sec. 5. Section 9, chapter 68, Laws of 1973 1st ex. sess. and RCW 68.46.090 are each amended to read as follows:

Any cemetery authority selling prearrangement merchandise or other prearrangement services shall file in its office or offices and with the cemetery board a written report upon forms prepared by the cemetery board which shall state the amount of the principle of the prearrangement trust fund or funds, the depository of such fund or funds, and cash on hand which is or may be due to such fund as well as such other information the board may deem appropriate. All information appearing on such written reports shall be revised at least annually and shall be verified by the president, ~~((and))~~ the secretary or auditor preparing the same, and a certified public accountant in accordance with generally accepted auditing standards.

NEW SECTION. Sec. 6. There is added to chapter 68.46 RCW a new section to read as follows:

The provisions of this chapter do not apply to any of the following: Any religious corporation, church, coroner, religious society or denomination, a corporation sole administering temporalities of any church or religious society or denomination, or any cemetery organized, controlled, and operated by any of them, any county, town, or city cemetery.

NEW SECTION. Sec. 7. If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Passed the House June 13, 1977.

Passed the Senate June 10, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

CHAPTER 352

[Substitute House Bill No. 581]

PRESCRIPTION DRUGS—SUBSTITUTIONS—GENERIC DRUGS

AN ACT Relating to prescription drugs; adding new sections to chapter 69.41 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. The legislature recognizes the responsibility of the state to insure that the citizens of the state are offered the benefit of quality pharmaceutical products at competitive prices. Advances in the drug industry resulting from research and the elimination of counterfeiting of prescription drugs should benefit the users of the drugs. Pharmacy must continue to operate with accountability and effectiveness. The legislature hereby declares it to be the policy of the state that its citizens receive safe and therapeutically effective drug products at the most reasonable cost consistent with high drug quality standards.

NEW SECTION. Sec. 2. As used in this act, the following words shall have the following meanings:

(1) "Brand name" means the proprietary or trade name selected by the manufacturer and placed upon a drug, its container, label, or wrapping at the time of packaging;

(2) "Generic name" means the official title of a drug or drug ingredients published in the latest edition of a nationally recognized pharmacopoeia or formulary;

(3) "Substitute" means to dispense, with the practitioner's authorization, a "therapeutically equivalent" generic drug product, being consistent with basic salt intent, in place of the drug ordered or prescribed;

(4) "Therapeutically equivalent" means essentially the same efficacy and toxicity when administered to an individual in the same dosage regimen; and

(5) "Practitioner" means a physician, osteopath, dentist, veterinarian, or any other person authorized to prescribe drugs under the laws of this state.

NEW SECTION. Sec. 3. Every drug prescription shall contain an instruction on whether or not a therapeutically equivalent generic drug may be substituted in its place.

If a written prescription is involved, the form shall have two signature lines at opposite ends on the bottom of the form. Under the line at the right side shall be clearly printed the words "DISPENSE AS WRITTEN". Under the line at the left side shall be clearly printed the words "SUBSTITUTION PERMITTED". The practitioner shall communicate the instructions to the pharmacist by signing the appropriate line. No prescription shall be valid without the signature of the practitioner on one of these lines.

If an oral prescription is involved, the practitioner or the practitioner's agent shall instruct the pharmacist as to whether or not a therapeutically equivalent generic drug may be substituted in its place. The pharmacist shall note the instructions on the file copy of the prescription.

The pharmacist shall note the manufacturer of the drug dispensed on the file copy of a written or oral prescription.

NEW SECTION. Sec. 4. A pharmacist shall not substitute any drug for another drug unless all savings in the retail price of the prescription are passed to the purchaser. The savings shall be equal to the difference in acquisition costs of the prescribed product and the substituted product.

NEW SECTION. Sec. 5. A pharmacist may not substitute a product under the provisions of this section unless the manufacturer has shown that the drug has been manufactured with the following minimum good manufacturing standards and practices:

(1) Maintain quality control standards equal to those of the Food and Drug Administration;

(2) Comply with regulations promulgated by the Food and Drug Administration;

(3) Mark products with identification code or monogram;

(4) Label products with expiration date;

(5) Provide reasonable services to accept return goods that have reached their expiration date;

- (6) Maintain twenty-four hour resources for product information;
- (7) Maintain recall capabilities for unsafe or defective drugs.

NEW SECTION. Sec. 6. A practitioner who authorizes a prescribed drug shall not be liable for any side effects or adverse reactions caused by the manner or method by which a substituted drug product is selected or dispensed.

NEW SECTION. Sec. 7. Every pharmacy shall post a sign in a location at the prescription counter that is readily visible to patrons stating, "Under Washington law, an equivalent but less expensive drug may in some cases be substituted for the drug prescribed by your doctor. Such substitution, however, may only be made with the consent of your doctor. Please consult your pharmacist or physician for more information." The printing shall be in block letters no less than one inch in height.

NEW SECTION. Sec. 8. It shall be unlawful for any employer to coerce, within the meaning of RCW 9A.36.070, any pharmacist to dispense a generic drug or to substitute a generic drug for another drug. A violation of this section shall be punishable as a misdemeanor.

NEW SECTION. Sec. 9. The state board of pharmacy may adopt any necessary rules under chapter 34.04 RCW for the implementation, continuation, or enforcement of this act, including, but not limited to, a list of non-therapeutically equivalent drugs which, when adopted, shall be provided to all registered pharmacists in the state and shall be updated as necessary.

NEW SECTION. Sec. 10. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 11. Sections 1 through 9 of this act are each added to chapter 69.41 RCW.

Passed by the House June 13, 1977.

Passed the Senate June 10, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

CHAPTER 353

[Substitute House Bill No. 936]

LIBRARY DISTRICTS—CITIES OR TOWNS—ANNEXATION

AN ACT Relating to public libraries; amending section 2, chapter 119, Laws of 1935 as last amended by section 1, chapter 122, Laws of 1965 and RCW 27.12.010; and adding new sections to chapter 27.12 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. Any city or town with a population of eight thousand five hundred or less at the time of annexation may become a part of any rural county library district or intercounty rural library district lying contiguous thereto by annexation in the following manner: The inclusion of such a city or town may be initiated by the adoption of an ordinance by the legislative authority thereof stating its intent to join the library district and finding that the public interest will be served thereby. If the board of trustees of the rural library district or intercounty