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**ENGROSSED SUBSTITUTE HOUSE BILL 2565**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** House Health Care & Wellness (originally sponsored by Representative Schmick)

AN ACT Relating to drug and gene therapy payment for medicaid managed care organizations; and adding a new section to chapter 74.09 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  A new section is added to chapter 74.09 RCW to read as follows:

(1) The drug utilization review board, established by the authority in accordance with federal medicaid regulations, shall include among its voting members a representative from each managed care organization that is contracted to administer a managed care plan under this chapter. The representative of each managed care organization must be either a chief medical officer, medical director, or pharmacy director.

(2) In addition to other responsibilities required under federal law, the drug utilization review board shall consider the safety, efficacy, and cost-effectiveness of new drugs and innovative therapies compared to other equally effective, more conservative, or substantially less costly courses of treatment that are available or suitable in its recommendations to the director of the authority regarding drugs and innovative therapies to be included in coverage for medical assistance programs under this chapter. Any consideration of the cost of the drug by the drug utilization review board must reflect: (a) The total cost of care associated with the course of treatment for which the drug is prescribed, such as transportation, housing and treatment of adverse events; (b) costs to the state medical assistance program that may be incurred if the patient does not receive the prescribed course of treatment; and (c) examples of other services offered through the state medical assistance program that could be funded. To the extent that the drug utilization review board has mutual membership and jurisdiction with the pharmacy and therapeutics committee established by the authority pursuant to RCW 70.14.050, the drug utilization review board's recommendations and conclusions related to cost-effectiveness shall be separated from the deliberations of the pharmacy and therapeutics committee.

(3) Nothing in this section limits the authority's discretion to select other members as necessary to meet the purposes and composition of the drug utilization review board as required by federal law.

(4) For the purposes of this section, the term "course of treatment" may include mere observation or, where appropriate, no medical treatment at all.

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