

SENATE BILL REPORT

SB 5203

As of January 20, 2021

Title: An act relating to the production, distribution, and purchase of generic prescription drugs.

Brief Description: Producing, distributing, and purchasing generic prescription drugs.

Sponsors: Senators Van De Wege, Carlyle, Frockt, Hasegawa, Keiser, Lias, Nguyen, Randall, Robinson, Salomon, Stanford and Wilson, C..

Brief History:

Committee Activity: Health & Long Term Care: 1/22/21.

Brief Summary of Bill

- Allows the Health Care Authority (HCA) to enter into partnerships with other states, state agencies, or nonprofit entities to produce, distribute, or purchase generic prescription drugs.
- Requires state purchased health care programs to purchase generic drugs through the partnership and allows other entities to purchase through the partnership voluntarily.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Greg Attanasio (786-7410)

Background: Prescription Drug Purchasing Consortium. In 2005, the Legislature directed the Health Care Authority (HCA) to establish a prescription drug purchasing consortium. In addition to state agencies, the consortium may include, on a voluntary basis, local government, private entities, labor organizations, and individuals without insurance, or who are underinsured for prescription drug coverage. State purchased health care services purchased through health carriers and health maintenance organizations are exempt from participating in the consortium. In 2006, Washington and Oregon formed the Northwest

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Prescription Drug Consortium (Northwest Consortium) to expand their purchasing power. The Northwest Consortium offers access to retail pharmacy discounts, pharmacy benefit management services, rebate management services, and a prescription discount card for uninsured residents.

Summary of Bill: HCA may enter into partnerships with another state, a group of states, a state agency, a nonprofit organization, or any other entity to produce, distribute, or purchase generic prescription drugs. The generic prescription drugs must be produced or distributed by a drug company or generic drug manufacturer that is registered with the United States Food and Drug Administration. The HCA shall only enter into partnerships to produce, distribute, or purchase a generic prescription drug at a price that results in savings to public and private purchasers and consumers.

State purchased health care programs must purchase the generic prescription drugs through the partnership, unless the state purchased health care program can obtain the generic prescription drug at a cost savings through another purchasing mechanism. Local governments, private entities, health carriers, and others may choose to voluntarily purchase the generic prescription drugs from the HCA as available quantities allow.

Appropriation: None.

Fiscal Note: Requested on January 16, 2021.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.