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SECOND SUBSTITUTE HOUSE BILL 1774

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State of Washington

57th Legislature

2001 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Pennington, Conway, Skinner, Cody, Ballasiotes, Schual-Berke, Campbell, Darneille, Anderson, Armstrong, Roach, Talcott, Edwards, Wood, Schoesler, Santos, Esser, Dunn, Casada, Bush and Mulliken)

Read first time 03/08/2001. Referred to Committee on .

1 AN ACT Relating to creating a senior pharmacy assistance program;  
2 adding a new section to chapter 41.05 RCW; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05 RCW  
5 to read as follows:

6 (1) The administrator must establish a senior pharmacy assistance  
7 program in accordance with the provisions of this section. The senior  
8 pharmacy assistance program provides financial assistance to eligible  
9 individuals for the purchase of prescription drugs.

10 (2) Individuals sixty-five years old and older with a household  
11 income above the eligibility standard for medicaid categorically needy  
12 coverage and below three hundred percent of the federal poverty  
13 guidelines are eligible for the senior pharmacy assistance program if  
14 they:

15 (a) Do not qualify for any other local, state medicaid  
16 categorically needy program, or federal prescription drug program;

17 (b) Are not covered under any private prescription reimbursement  
18 plan;

1 (c) Have not voluntarily canceled a local, state, or federal  
2 prescription drug program or a private prescription reimbursement plan  
3 within the six months prior to application for enrollment in the senior  
4 pharmacy assistance program;

5 (d) Pay a coinsurance amount of ten dollars, for eligible  
6 individuals with an income above the eligibility standard for medicaid  
7 categorically needy coverage and up to one hundred twenty-five percent  
8 of the federal poverty guidelines; and

9 (e) Pay a coinsurance amount of twenty percent, for eligible  
10 individuals with an income above one hundred twenty-five and up to  
11 three hundred percent of the federal poverty guidelines.

12 (3) Each eligible individual may receive a maximum annual drug  
13 benefit of one thousand five hundred dollars.

14 (4) The administrator must adopt rules necessary to implement the  
15 senior pharmacy assistance program, including the prescription drugs  
16 eligible for reimbursement under the senior pharmacy assistance  
17 program, the amount of the pharmacy dispensing fee, procedures for  
18 limiting enrollment, selecting participating pharmacies, and  
19 establishing a period of open enrollment that may not be less than  
20 thirty days, including an enrollment period for those who become age  
21 eligible during the year.

22 (5) If the administrator determines that the funds appropriated for  
23 the senior pharmacy assistance program are not sufficient to serve all  
24 individuals who qualify for assistance, the administrator must take  
25 those steps necessary to limit program expenditures to an amount equal  
26 to appropriated funds.

27 (6) The administrator may contract for the operation of the senior  
28 pharmacy assistance program.

29 (7) When an enrollee fails to report income or income changes  
30 accurately or fails to report participation in any publicly funded  
31 prescription drug plan or coverage under any private prescription  
32 reimbursement plan, the administrator shall have the authority either  
33 to bill the enrollee for the amounts overpaid by the state or to impose  
34 civil penalties of up to two hundred percent of the amount of subsidy  
35 overpaid due to the enrollee incorrectly reporting income. The  
36 administrator shall adopt rules to define the appropriate application  
37 of these sanctions and the processes to implement the sanctions  
38 provided in this subsection, within available resources.

1        NEW SECTION.    **Sec. 2.**    The administrator of the Washington state  
2 health care authority shall design a catastrophic prescription drug  
3 benefit for the senior pharmacy assistance program and present it to  
4 the appropriate committees of the senate and house of representatives  
5 no later than December 15, 2001.

6        NEW SECTION.    **Sec. 3.**    (1) If federal funding becomes available for  
7 senior prescription drug assistance on or before March 1, 2002, it  
8 shall be used to fund the provisions of this act, subject to the  
9 provisions and limitations of section 1(5) of this act.

10        (2) If federal funding becomes available for prescription drug  
11 assistance for individuals without access to prescription drug coverage  
12 or who have access to prescription drug assistance through state funded  
13 programs on or before March 1, 2002, it shall be appropriated for the  
14 purposes specified in the operating budget adopted by the legislature.

15        NEW SECTION.    **Sec. 4.**    If the state does not receive federal  
16 funding for the purposes of section 3 of this act by March 1, 2002,  
17 this act is null and void.

18        NEW SECTION.    **Sec. 5.**    If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

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