

HOUSE BILL REPORT

SSB 6569

As Passed House:
March 2, 2016

Title: An act relating to the creation of a task force on patient out-of-pocket costs.

Brief Description: Creating a task force on patient out-of-pocket costs.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Cleveland, Becker, Carlyle, Keiser and Ranker).

Brief History:

Committee Activity:

Health Care & Wellness: 2/24/16, 2/26/16 [DP].

Floor Activity:

Passed House: 3/2/16, 78-19.

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| <p>Brief Summary of Substitute Bill</p> |
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| <ul style="list-style-type: none">• Creates the Task Force on High Patient Out-of-Pocket Costs. |
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HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

Staff: Ariele Landstrom (786-7190).

Background:

Generally, out-of-pocket health care costs are what a patient is responsible to pay for health care. A deductible is the amount the patient pays before the patient's health insurance begins to pay the costs associated with treatment or prescriptions. A co-pay is a fixed amount that a patient pays for a health care service or prescription.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Health carriers are required to provide to enrollees, upon request, a listing of covered benefits, including prescription drug benefits, if any, a copy of the current formulary, if any is used, definitions of terms such as generic versus brand name, and policies regarding coverage of drugs, such as how they become approved or taken off the formulary, and how consumers may be involved in decisions about benefits.

Summary of Bill:

The Task Force on High Patient Out-of-Pocket Costs (Task Force) is created. The Department of Health must convene the Task Force by July 1, 2016. The Task Force must include representatives from all participants with a role in determining prescription drug costs and out-of-pocket costs for patients, such as, but not limited to, the following:

- patient groups;
- insurance carriers operating in Washington;
- pharmaceutical companies;
- prescribers;
- pharmacists;
- pharmacy benefit managers;
- hospitals;
- the Office of the Insurance Commissioner;
- the Health Care Authority;
- the Office of Financial Management;
- unions;
- a Taft-Hartley trust;
- a business association; and
- biotechnology.

The Task Force must evaluate factors contributing to the high out-of-pocket costs for patients, particularly in the first quarter of the year, including, but not limited to prescription drug cost trends and plan benefit design.

The Task Force must consider patient treatment adherence and the impacts on chronic illness and acute disease. The discussion must also consider the impact when patients cannot maintain access to their prescription drugs and the implications of adverse health impacts, including the potential need for more expensive medical interventions or hospitalizations and the impact on the workforce with the loss of productivity. The discussion must also consider the impact of the factors on affordability of health care coverage.

The Task Force recommendations, or a summary of the discussions, must be provided to the appropriate committees of the Legislature by December 1, 2016.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There is encouragement for more study of patient out-of-pocket costs. Before there is more legislation in this area, it would be good to have data to see what people are dealing with. This is a good first step. The focus on the consumer is the right one. There is concern about the impact on consumers' high out-of-pocket costs and the cost of care and drugs that help drive those out-of-pocket costs. This Task Force is needed.

(Opposed) None.

Persons Testifying: Sheri Nelson, Association of Washington Business; Sydney Smith Zvara, Association of Washington Health Care Plans; and Amber Bronnum Moore, Group Health Cooperative.

Persons Signed In To Testify But Not Testifying: None.