Chapter 70.14 RCW
HEALTH CARE SERVICES PURCHASED BY STATE AGENCIES

Sections

State health care cost containment policies: RCW 43.41.160.

RCW 70.14.020 State agencies to identify alternative health care providers. Each of the agencies listed in *RCW 70.14.010, with the exception of the department of labor and industries, which expends more than five hundred thousand dollars annually of state funds for purchase of health care shall identify the availability and costs of nonfee for service providers of health care, including preferred provider organizations, health maintenance organizations, managed health care or case management systems, or other nonfee for service alternatives. In each case where feasible in which an alternative health care provider arrangement, of similar scope and quality, is available at lower cost than fee-for-service providers, such state agencies shall make the services of the alternative provider available to clients, consumers, or employees for whom state dollars are spent to purchase health care. As consistent with other state and federal law, requirements for copayments, deductibles, the scope of available services, or other incentives shall be used to encourage clients,

consumers, or employees to use the lowest cost providers, except that copayments or deductibles shall not be required where they might have the impact of denying access to necessary health care in a timely manner. [1986 c 303 s 7.]

***Reviser's note:** RCW 70.14.010 was repealed by 1988 c 107 s 35, effective October 1, 1988.

Medical assistance—Agreements with managed care organizations: RCW 74.09.522.

RCW 70.14.030 Health care utilization review procedures. Plans for establishing or improving utilization review procedures for purchased health care services shall be developed by each agency listed in *RCW 70.14.010. The plans shall specifically address such utilization review procedures as prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and the obtaining of second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers. [1986 c 303 s 8.]

***Reviser's note:** RCW 70.14.010 was repealed by 1988 c 107 s 35, effective October 1, 1988.

RCW 70.14.040 Review of prospective rate setting methods. The state agencies listed in *RCW 70.14.010 shall review the feasibility of establishing prospective payment approaches within their health care programs. Work plans or timetables shall be prepared for the development of prospective rates. The agencies shall identify legislative actions that may be necessary to facilitate the adoption of prospective rate setting methods. [1986 c 303 s 9.]

***Reviser's note:** RCW 70.14.010 was repealed by 1988 c 107 s 35, effective October 1, 1988.

RCW 70.14.050 Drug purchasing cost controls—Establishment of evidence-based prescription drug program. (1) Each agency administering a state purchased health care program as defined in *RCW 41.05.011(2) shall, in cooperation with other agencies, take any necessary actions to control costs without reducing the quality of care when reimbursing for or purchasing drugs. To accomplish this purpose, participating agencies may establish an evidence-based prescription drug program.

(2) In developing the evidence-based prescription drug program authorized by this section, agencies:

(a) Shall prohibit reimbursement for drugs that are determined to be ineffective by the United States food and drug administration;

(b) Shall adopt rules in order to ensure that less expensive generic drugs will be substituted for brand name drugs in those instances where the quality of care is not diminished;

(c) Where possible, may authorize reimbursement for drugs only in economical quantities;

(d) May limit the prices paid for drugs by such means as negotiated discounts from pharmaceutical manufacturers, central purchasing, volume contracting, or setting maximum prices to be paid;

(e) Shall consider the approval of drugs with lower abuse potential in substitution for drugs with significant abuse potential;

(f) May take other necessary measures to control costs of drugs without reducing the quality of care; and

(g) Shall adopt rules governing practitioner endorsement and use of any list developed as part of the program authorized by this section.

(3) Agencies shall provide for reasonable exceptions, consistent with RCW 69.41.190, to any list developed as part of the program authorized by this section.

(4) Agencies shall establish an independent pharmacy and therapeutics committee to evaluate the effectiveness of prescription drugs in the development of the program authorized by this section. [2003 1st sp.s. c 29 s 9; 1986 c 303 s 10.]

***Reviser's note:** RCW 41.05.011 was alphabetized pursuant to RCW 1.08.015(2)(k), changing subsection (2) to subsection (21). RCW 41.05.011 was subsequently alphabetized pursuant to RCW 1.08.015(2)(k), changing subsection (21) to subsection (22). RCW 41.05.011 was subsequently amended by 2017 3rd sp.s. c 13 s 802, changing subsection (22) to subsection (25). RCW 41.05.011 was subsequently amended by 2018 c 260 s 4, changing subsection (25) to subsection (26).

Finding—Intent—Severability—Conflict with federal requirements—Effective date—2003 1st sp.s. c 29: See notes following RCW 74.09.650.

RCW 70.14.060 Prescription drug purchasing consortium—Participation—Exceptions—Rules. (1)(a) The director of the state health care authority shall, directly or by contract, adopt policies necessary for establishment of a prescription drug purchasing consortium. The consortium's purchasing activities shall be based upon the evidence-based prescription drug program established under RCW 70.14.050. Except as provided in RCW 70.14.065 or exempted under (b) of this subsection, state purchased health care programs as defined in RCW 41.05.011 shall purchase prescription drugs through the consortium for those prescription drugs that are purchased directly by the state and those that are purchased through reimbursement of pharmacies. The director shall not require any supplemental rebate offered to the health care authority by a pharmaceutical manufacturer for prescription drugs purchased for medical assistance program clients under chapter 74.09 RCW be extended to any other state purchased health care program, or to any other individuals or entities participating in the consortium. The director shall explore joint purchasing opportunities with other states.

(b) State purchased health care programs are exempt from the requirements of this section if they can demonstrate to the director of the state health care authority that, as a result of the availability of federal programs or other purchasing arrangements, their other purchasing mechanisms will result in greater discounts and aggregate cost savings than would be realized through participation in the consortium.

(2) Participation in the purchasing consortium shall be offered as an option beginning January 1, 2006. Participation in the consortium is purely voluntary for units of local government, private

entities, labor organizations, health carriers as provided in RCW 48.43.005, state purchased health care services from or through health carriers as provided in RCW 48.43.005, and for individuals who lack or are underinsured for prescription drug coverage. The director may set reasonable fees, including enrollment fees, to cover administrative costs attributable to participation in the prescription drug consortium.

(3) The state health care authority is authorized to adopt rules implementing chapter 129, Laws of 2005. [2021 c 274 s 2; 2020 c 346 s 4; 2009 c 560 s 13; 2005 c 129 s 1.]

Intent—2020 c 346: See note following RCW 70.14.165.

Intent—Effective date—Disposition of property and funds—Assignment/delegation of contractual rights or duties—2009 c 560: See notes following RCW 18.06.080.

Performance audit—2005 c 129 s 1: "By December 1, 2008, the joint legislative audit and review committee shall conduct a performance audit on the operation of the consortium created in section 1 of this act. The audit shall review the operations and outcomes associated with the implementation of this consortium and identify the net savings, if any, to the members of the consortium, the percentage of targeted populations participating, and changes in the health outcomes of participants." [2005 c 129 s 3.]

Severability—2005 c 129: "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." [2005 c 129 s 4.]

Conflict with federal requirements—2005 c 129: "If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state." [2005 c 129 s 5.]

RCW 70.14.065 Generic prescription drug partnership agreements. (1)(a) The authority may enter into partnership agreements 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 and distribute and purchase insulin. Partnership agreements with governmental entities are exempt from competitive solicitation requirements in accordance with RCW 39.26.125(10). However, the authority must comply with state procurement laws related to competitive procurement when purchasing or entering into purchasing agreements with nongovernmental entities.

(b) The generic prescription drugs and insulin must be produced or distributed by a drug company or generic drug manufacturer that is registered with the United States food and drug administration.

(2) The authority shall only enter into partnerships, in consultation with other state agencies as necessary, to produce, distribute, or purchase a generic prescription drug or insulin at a price that results in savings to public and private purchasers and consumers.

(3) For generic prescription drugs and insulin that the authority has entered into a partnership under this section:

(a) State purchased health care programs must purchase the generic prescription drugs and insulin through the partnership, unless the state purchased health care program can obtain the generic prescription drug or insulin at a cost savings through another purchasing mechanism; and

(b) Local governments, private entities, health carriers, and others may choose to voluntarily purchase the generic prescription drugs and insulin from the authority as available quantities allow.

(4) All information and documents obtained or created under this section is exempt from disclosure under chapter 42.56 RCW.

(5) For purposes of this section, the following definitions apply:

(a) "Authority" means the health care authority.

(b) "Eligible prescription drug" means a prescription drug or biological product, as defined in 42 U.S.C. Sec. 262(i), that is not under patent.

(c) "Generic drug" means a drug that is approved pursuant to an application referencing an eligible prescription drug that is submitted under section 505(j) of the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.), or section 351(k) of the federal public health service act (42 U.S.C. Sec. 262).

(d) "Purchase" means the acquisition of generic drugs and insulin. "Purchase" includes, but is not limited to, entering into contracts with manufacturers on behalf of those dispensing drugs and other innovative purchasing strategies to help increase access for Washington citizens to the best price available for insulin and generic prescription drugs. This subsection should be interpreted broadly to provide the authority flexibility in how it procures generic drugs and insulin in order to obtain the best price.

(e) "State purchased health care" means medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, department of health, state health care authority, department of labor and industries, department of corrections, and department of veterans affairs. State purchased health care does not include prescription drugs purchased for medical assistance program clients under chapter 74.09 RCW. [2021 c 274 s 1.]

RCW 70.14.070 Prescription drug consortium account. The prescription drug consortium account is created in the custody of the state treasurer. All receipts from activities related to administration of the state drug purchasing consortium on behalf of participating individuals and organizations, other than state purchased health care programs, shall be deposited into the account. The receipts include but are not limited to rebates from manufacturers, and the fees established under RCW 70.14.060(2). Expenditures from the account may be used only for the purposes of RCW 70.14.060. Only the administrator of the state health care authority or the administrator's designee may authorize expenditures from the

account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. [2005 c 129 s 2.]

Severability—Conflict with federal requirements—2005 c 129: See notes following RCW 70.14.060.

RCW 70.14.080 Definitions. The definitions in this section apply throughout RCW 70.14.090 through 70.14.130 unless the context clearly requires otherwise.

(1) "Administrator" means the administrator of the Washington state health care authority under chapter 41.05 RCW.

(2) "Advisory group" means a group established under RCW 70.14.110(2)(c).

(3) "Committee" means the health technology clinical committee established under RCW 70.14.090.

(4) "Coverage determination" means a determination of the circumstances, if any, under which a health technology will be included as a covered benefit in a state purchased health care program.

(5) "Health technology" means medical and surgical devices and procedures, medical equipment, and diagnostic tests. Health technologies does not include prescription drugs governed by RCW 70.14.050.

(6) "Participating agency" means the department of social and health services, the state health care authority, and the department of labor and industries.

(7) "Reimbursement determination" means a determination to provide or deny reimbursement for a health technology included as a covered benefit in a specific circumstance for an individual patient who is eligible to receive health care services from the state purchased health care program making the determination. [2006 c 307 s 1.]

Captions not law—2006 c 307: "Captions used in this act are not any part of the law." [2006 c 307 s 10.]

Conflict with federal requirements—2006 c 307: "If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state." [2006 c 307 s 11.]

RCW 70.14.090 Health technology clinical committee. (1) A health technology clinical committee is established, to include the following eleven members appointed by the administrator in consultation with participating state agencies:

(a) Six practicing physicians licensed under chapter 18.57 or 18.71 RCW; and

(b) Five other practicing licensed health professionals who use health technology in their scope of practice.

(i) At least two members of the committee must have professional experience treating women, children, elderly persons, and people with diverse ethnic and racial backgrounds.

(ii) At least one member of the committee must be appointed from nominations submitted by the Washington state medical association or the Washington state osteopathic medical association.

(2) In addition, any rotating clinical expert selected to advise the committee on health technology must be a nonvoting member of the committee.

(3) Members of the committee:

(a) Shall not contract with or be employed by a health technology manufacturer or a participating agency during their term or for eighteen months before their appointment. As a condition of appointment, each person shall agree to the terms and conditions imposed by the administrator regarding conflicts of interest;

(b) Are immune from civil liability for any official acts performed in good faith as members of the committee; and

(c) Shall be compensated for participation in the work of the committee in accordance with a personal services contract to be executed after appointment and before commencement of activities related to the work of the committee.

(4) Meetings of the committee and any advisory group are subject to chapter 42.30 RCW, the open public meetings act, including RCW 42.30.110(1)(l), which authorizes an executive session during a regular or special meeting to consider proprietary or confidential nonpublished information.

(5) Neither the committee nor any advisory group is an agency for purposes of chapter 34.05 RCW.

(6) The health care authority shall provide administrative support to the committee and any advisory group, and may adopt rules governing their operation. [2016 sp.s. c 1 s 1; 2006 c 307 s 2.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.100 Health technology selection and assessment. (1) The administrator, in consultation with participating agencies and the committee, shall select the health technologies to be reviewed by the committee under RCW 70.14.110. Up to six may be selected for review in the first year after June 7, 2006, and up to eight may be selected in the second year after June 7, 2006. In making the selection, priority shall be given to any technology for which:

(a) There are concerns about its safety, efficacy, or cost-effectiveness, especially relative to existing alternatives, or significant variations in its use;

(b) Actual or expected state expenditures are high, due to demand for the technology, its cost, or both; and

(c) There is adequate evidence available to conduct the complete review.

(2) A health technology for which the committee has made a determination under RCW 70.14.110 shall be considered for rereview at least once every eighteen months, beginning the date the determination is made. The administrator, in consultation with participating

agencies and the committee, shall select the technology for rereview if he or she decides that evidence has since become available that could change a previous determination. Upon rereview, consideration shall be given only to evidence made available since the previous determination.

(3) Pursuant to a petition submitted by an interested party, the health technology clinical committee may select health technologies for review that have not otherwise been selected by the administrator under subsection (1) or (2) of this section.

(4) Upon the selection of a health technology for review, the administrator shall contract for a systematic evidence-based assessment of the technology's safety, efficacy, and cost-effectiveness. The contract shall:

(a) Be with an evidence-based practice center designated as such by the federal agency for health care research and quality, or other appropriate entity;

(b) Require the assessment be initiated no sooner than thirty days after notice of the selection of the health technology for review is posted on the internet under RCW 70.14.130;

(c) Require, in addition to other information considered as part of the assessment, consideration of: (i) Safety, health outcome, and cost data submitted by a participating agency; and (ii) evidence submitted by any interested party; and

(d) Require the assessment to: (i) Give the greatest weight to the evidence determined, based on objective indicators, to be the most valid and reliable, considering the nature and source of the evidence, the empirical characteristic of the studies or trials upon which the evidence is based, and the consistency of the outcome with comparable studies; and (ii) take into account any unique impacts of the technology on specific populations based upon factors such as sex, age, ethnicity, race, or disability. [2006 c 307 s 3.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.110 Health technology clinical committee determinations. (1) The committee shall determine, for each health technology selected for review under RCW 70.14.100: (a) The conditions, if any, under which the health technology will be included as a covered benefit in health care programs of participating agencies; and (b) if covered, the criteria which the participating agency administering the program must use to decide whether the technology is medically necessary, or proper and necessary treatment.

(2) In making a determination under subsection (1) of this section, the committee:

(a) Shall consider, in an open and transparent process, evidence regarding the safety, efficacy, and cost-effectiveness of the technology as set forth in the systematic assessment conducted under RCW 70.14.100(4);

(b) Shall provide an opportunity for public comment; and

(c) May establish ad hoc temporary advisory groups if specialized expertise is needed to review a particular health technology or group of health technologies, or to seek input from enrollees or clients of state purchased health care programs. Advisory group members are immune from civil liability for any official act performed in good

faith as a member of the group. As a condition of appointment, each person shall agree to the terms and conditions imposed by the administrator regarding conflicts of interest.

(3) Determinations of the committee under subsection (1) of this section shall be consistent with decisions made under the federal medicare program and in expert treatment guidelines, including those from specialty physician organizations and patient advocacy organizations, unless the committee concludes, based on its review of the systematic assessment, that substantial evidence regarding the safety, efficacy, and cost-effectiveness of the technology supports a contrary determination. [2006 c 307 s 4.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.120 Agency compliance with committee determination—Coverage and reimbursement determinations for nonreviewed health technologies—Appeals. (1) A participating agency shall comply with a determination of the committee under RCW 70.14.110 unless:

(a) The determination conflicts with an applicable federal statute or regulation, or applicable state statute; or

(b) Reimbursement is provided under an agency policy regarding experimental or investigational treatment, services under a clinical investigation approved by an institutional review board, or health technologies that have a humanitarian device exemption from the federal food and drug administration.

(2) For a health technology not selected for review under RCW 70.14.100, a participating agency may use its existing statutory and administrative authority to make coverage and reimbursement determinations. Such determinations shall be shared among agencies, with a goal of maximizing each agency's understanding of the basis for the other's decisions and providing opportunities for agency collaboration.

(3) A health technology not included as a covered benefit under a state purchased health care program pursuant to a determination of the health technology clinical committee under RCW 70.14.110, or for which a condition of coverage established by the committee is not met, shall not be subject to a determination in the case of an individual patient as to whether it is medically necessary, or proper and necessary treatment.

(4) Nothing in chapter 307, Laws of 2006 diminishes an individual's right under existing law to appeal an action or decision of a participating agency regarding a state purchased health care program. Appeals shall be governed by state and federal law applicable to participating agency decisions. [2006 c 307 s 5.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.130 Health technology clinical committee—Public notice. (1) The administrator shall develop a centralized, internet-based communication tool that provides, at a minimum:

(a) Notification when a health technology is selected for review under RCW 70.14.100, indicating when the review will be initiated and

how an interested party may submit evidence, or provide public comment, for consideration during the review;

(b) Notification of any determination made by the committee under RCW 70.14.110(1), its effective date, and an explanation of the basis for the determination; and

(c) Access to the systematic assessment completed under RCW 70.14.100(4), and reports completed under subsection (2) of this section.

(2) Participating agencies shall develop methods to report on the implementation of this section and RCW 70.14.080 through 70.14.120 with respect to health care outcomes, frequency of exceptions, cost outcomes, and other matters deemed appropriate by the administrator. [2006 c 307 s 7.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.140 Applicability to health care services purchased from health carriers. RCW 70.14.080 through 70.14.130 and 41.05.013 do not apply to state purchased health care services that are purchased from or through health carriers as defined in RCW 48.43.005. [2006 c 307 s 9.]

Captions not law—Conflict with federal requirements—2006 c 307: See notes following RCW 70.14.080.

RCW 70.14.150 Data-sharing agreements—Report. (1) The department of social and health services and the health care authority shall enter into data-sharing agreements with the appropriate agencies in the states of Oregon and Idaho to assure the valid Washington state residence of applicants for health care services in Washington. Such agreements shall include appropriate safeguards related to the confidentiality of the shared information.

(2) The department of social and health services and the health care authority must jointly report on the status of the data-sharing agreements to the appropriate committees of the legislature no later than November 30, 2007. [2007 c 60 s 1.]

RCW 70.14.155 Streamlined health care administration—Agency participation. The following state agencies are directed to cooperate with the insurance commissioner and, within funds appropriated specifically for this purpose, adopt the processes, guidelines, and standards to streamline health care administration pursuant to chapter 48.165 RCW: The department of social and health services, the health care authority, and, to the extent permissible under Title 51 RCW, the department of labor and industries. [2009 c 298 s 3.]

RCW 70.14.160 Total cost of insulin work group—Appointment—Duties—Reporting. ***(Expires December 1, 2024.)*** (1) The total cost of insulin work group is established. The work group membership must consist of the insurance commissioner or designee and the following members appointed by the governor:

(a) A representative from the prescription drug purchasing consortium described in RCW 70.14.060;

(b) A representative from the pharmacy quality assurance commission;

(c) A representative from an association representing independent pharmacies;

(d) A representative from an association representing health carriers;

(e) A representative from the public employees' benefits board or the school employees' benefits board;

(f) A representative from the health care authority;

(g) A representative from an association representing pharmacy benefit managers;

(h) A representative from a drug distributor or wholesaler that distributes or sells insulin in the state;

(i) A representative from a state agency that purchases health care services and drugs for a selected population;

(j) A representative from the attorney general's office with expertise in prescription drug purchasing;

(k) A representative from an organization representing diabetes patients who is living with diabetes; and

(l) Four members of the public living with diabetes.

(2) The work group must review and design strategies to:

(a) Reduce the cost of and total expenditures on insulin in this state. Strategies the work group must consider include, but are not limited to, a state agency becoming a licensed drug wholesaler, a state agency becoming a registered pharmacy benefit manager, and a state agency purchasing prescription drugs on behalf of the state directly from other states or in coordination with other states; and

(b) Provide a once yearly 30-day supply of insulin to individuals on an emergency basis. The strategies identified by the work group shall include recommendations on eligibility criteria, patient access, program monitoring, and pharmacy reimbursement, if applicable.

(3) Staff support for the work group shall be provided by the health care authority.

(4) By December 1, 2022, the work group must submit a preliminary report detailing strategies to reduce the cost of and total expenditures on insulin for patients, health carriers, payers, and the state. The work group must submit a final report by July 1, 2023, to the governor and the legislature. The final report must include any statutory changes necessary to implement the strategies.

(5) This section expires December 1, 2024. [2022 c 205 s 1; 2020 c 346 s 2.]

Intent—2020 c 346: See note following RCW 70.14.165.

RCW 70.14.165 Total cost of insulin work group—Authority implementation. (1) In order to implement strategies recommended by the total cost of insulin work group established in RCW 70.14.160, the health care authority may:

(a) Become or designate a state agency that shall become a drug wholesaler licensed under RCW 18.64.046;

(b) Become or designate a state agency that shall become a pharmacy benefit manager registered under *RCW 19.340.030; or

(c) Purchase prescription drugs on behalf of the state directly from other states or in coordination with other states.

(2) In addition to the authorities granted in subsection (1) of this section, if the total cost of insulin work group established in RCW 70.14.160 determines that all or a portion of the strategies may be implemented without statutory changes, the health care authority and the prescription drug purchasing consortium described in RCW 70.14.060 shall begin implementation without further legislative direction. [2020 c 346 s 3.]

***Reviser's note:** RCW 19.340.030 was repealed by 2020 c 240 s 19, effective January 1, 2022.

Intent—2020 c 346: "(1) The legislature recognizes that:

(a) Insulin is a lifesaving drug and is critical to the management of diabetes as it helps patients control their blood sugar levels;

(b) According to Yale researchers, one-quarter of patients with Type 1 or 2 diabetes have reported using less insulin than prescribed due to the high cost of insulin;

(c) The first insulin patent in the United States was awarded in 1923 and the first synthetic insulin arrived on the market in 1978; and

(d) The price and utilization of insulin has steadily increased, making it one of the costliest prescription drugs in the state. According to the Washington all-payer claims database, the allowable costs before rebates for health carriers in the state have increased eighty-seven percent since 2014, and per member out-of-pocket costs have increased an average of eighteen percent over the same time period.

(2) Therefore, the legislature intends to review, consider, and pursue several strategies with the goal of reducing the cost of insulin in Washington." [2020 c 346 s 1.]

RCW 70.14.170 Opioid overdose reversal medications—Bulk purchasing and distribution—Rules—Report—Recommendation to legislature. (1) As soon as reasonably practicable, the health care authority shall establish a bulk purchasing and distribution program for opioid overdose reversal medication. The health care authority is authorized to:

(a) Purchase or enter into contracts as necessary to purchase and distribute opioid overdose reversal medication, collect an assessment, and administer the program;

(b) Bill, charge, and receive payment from health carriers, managed health care systems, and[,] to the extent that any self-insured health plans choose to participate, self-insured health plans; and

(c) Perform any other functions as may be necessary or proper to establish and administer the program.

(2) To establish and administer the opioid overdose reversal medication bulk purchasing and distribution program, the health care authority may adopt rules providing the following:

(a) A dosage-based assessment and formula to determine the assessment for each opioid overdose reversal medication provided to an individual through the program that includes administrative costs of the program;

(b) The mechanism, requirements, and timeline for health carriers, managed health care systems, and[,] self-insured plans to pay the dosage-based assessments;

(c) The types of health care facilities, health care providers, or other entities that are required to or are permitted to participate in the program;

(d) The billing procedures for any participating health care facility, health care provider, or other entity participating in the program; and

(e) Any other rules necessary to establish, implement, or administer the program.

(3) The following agencies, health plans, and insurers must participate in the bulk purchasing and distribution program:

(a) Health carriers;

(b) Managed health care systems administering a medicaid managed care plan; and

(c) The health care authority for purposes of:

(i) Health plans offered to public employees and their dependents;

(ii) Individuals enrolled in medical assistance under chapter 74.09 RCW that are not enrolled in a managed care plan; and

(iii) Uninsured individuals.

(4) The health care authority may establish an interest charge for late payment of any assessment under this section. The health care authority shall assess a civil penalty against any health carrier, managed health care system, or self-insured health plan that fails to pay an assessment within three months of billing. The civil penalty under this subsection is 150 percent of such assessment. The health care authority is authorized to file liens and seek judgment to recover amounts in arrears and civil penalties, and recover reasonable collection costs, including reasonable attorneys' fees and costs. Civil penalties so levied must be deposited in the opioid overdose reversal medication account created in RCW 70.14.175.

(5) The health care authority in coordination with the office of the insurance commissioner may recommend to the appropriate committees of the legislature the termination of the bulk purchasing and distribution mechanism for opioid overdose reversal medication if it finds that the original intent of its formation and operation has not been achieved.

(6) By January 1, 2022, the health care authority shall submit a report to the legislature on the progress towards establishing the bulk purchasing and distribution program. The health care authority shall submit an updated report on the progress towards establishing the bulk purchasing and distribution program by January 1, 2023.

(7) By July 1, 2025, the health care authority shall submit recommendations to the appropriate committees of the legislature on whether and how the opioid overdose reversal medication bulk purchasing and distribution program may be expanded to include other prescription drugs.

(8) "Opioid overdose reversal medication" has the same meaning as provided in RCW 69.41.095. [2021 c 273 s 7.]

Rules—2021 c 273 ss 7-12: "(1) The health care authority may adopt rules necessary to implement sections 7 through 12 of this act.

(2) The insurance commissioner may adopt rules necessary to implement sections 7 and 11 of this act." [2021 c 273 s 13.]

Findings—Intent—2021 c 273: See note following RCW 70.41.480.

RCW 70.14.175 Opioid overdose reversal medication account. The opioid overdose reversal medication account is created in the custody of the state treasurer. All receipts from collections under RCW 70.14.170 must be deposited into the account. Expenditures from the account may be used only for the operation and administration of the opioid overdose reversal medication bulk purchasing and distribution program identified in RCW 70.14.170. Only the director of the health care authority or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. [2021 c 273 s 8.]

Rules—2021 c 273 ss 7-12: See note following RCW 70.14.170.

Findings—Intent—2021 c 273: See note following RCW 70.41.480.