RCW 70.405.050 Upper payment limits. (1) The authority must adopt rules setting forth a methodology established by the board for setting upper payment limits for prescription drugs the board has determined have led or will lead to excess costs based on its affordability review. The rules adopted under this subsection may not go into effect until at least 90 days after the next regular legislative session. Each year, the board may set an upper payment limit for up to 12 prescription drugs.

(2) The methodology must take into consideration:

(a) The cost of administering the drug;

(b) The cost of delivering the drug to patients;

(c) The status of the drug on the drug shortage list published by the United States food and drug administration; and

(d) Other relevant administrative costs related to the production and delivery of the drug.

(3) The methodology determined by the board must not use quality-adjusted life years that take into account a patient's age or severity of illness or disability to identify subpopulations for which a prescription drug would be less cost-effective. For any prescription drug that extends life, the board's analysis of cost-effectiveness may not employ a measure or metric which assigns a reduced value to the life extension provided by a treatment based on a preexisting disability or chronic health condition of the individuals whom the treatment would benefit.

(4) Before setting an upper payment limit for a drug, the board must post notice of the proposed upper payment limit on the authority's website, including an explanation of the factors considered when setting the proposed limit and instructions to submit written comment. The board must provide 30 days to submit public comment.

(5) The board must monitor the supply of drugs for which it sets an upper payment limit and may suspend that limit if there is a shortage of the drug in the state.

(6) An upper payment limit for a prescription drug established by the board applies to all purchases of the drug by any entity and reimbursements for a claim for the drug by a health carrier, or a health plan offered under chapter 41.05 RCW, when the drug is dispensed or administered to an individual in the state in person, by mail, or by other means.

(7) An employer-sponsored self-funded plan may elect to be subject to the upper payment limits as established by the board.

(8) The board must establish an effective date for each upper payment limit, provided that the upper payment limit may not go into effect until at least 90 days after the next regular legislative session and that the date is at least six months after the adoption of the upper payment limit and applies only to purchases, contracts, and plans that are issued on or renewed after the effective date.

(9) Any entity affected by a decision of the board may request an appeal within 30 days of the board's decision, and the board must rule on the appeal within 60 days. Board rulings are subject to judicial review pursuant to chapter 34.05 RCW.

(10) For any upper payment limit set by the board, the board must notify the manufacturer of the drug and the manufacturer must inform the board if it is able to make the drug available for sale in the state and include a rationale for its decision. The board must annually report to the relevant committees of the legislature detailing the manufacturers' responses.

(11) The board may reassess the upper payment limit for any drug annually based on current economic factors.

(12) The board may not establish an upper payment limit for any prescription drug before January 1, 2027.

(13)(a) Any individual denied coverage by a health carrier for a prescription drug because the drug was unavailable due to an upper payment limit established by the board, may seek review of the denial pursuant to RCW 48.43.530 and 48.43.535.

(b) If it is determined that the prescription drug should be covered based on medical necessity, the carrier may disregard the upper payment limit and must provide coverage for the drug. [2022 c 153 s 5.]