
SUBSTITUTE HOUSE BILL 1774

State of Washington**57th Legislature****2001 Regular Session**

By House Committee on Health Care (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 . 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 a new section.

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.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

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