

# SENATE BILL REPORT

## SB 5721

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As of February 10, 2003

**Title:** An act relating to prescription drugs.

**Brief Description:** Creating a pharmacy access program.

**Sponsors:** Senators Winsley, Deccio, Thibaudeau, Swecker, Morton, Esser, Zarelli, McCaslin, Kohl-Welles, Stevens and Oke.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/12/03.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Jonathan Seib (786-7427)

**Background:** Influenced by price increases, greater utilization, and changes in the types of prescriptions used, national expenditures for prescription drugs have been one of the fastest growing components of health care spending in recent years, increasing around 18 percent a year for each of the last several years. This trend is expected to continue.

There is concern that the burden of increased prescription drug expenditures is particularly difficult for older persons and others who may be on fixed incomes and are more reliant on medications to stay healthy. According to one report, while seniors make up only 12 percent of the U.S. population, they consume almost 35 percent of all prescription drugs, with the average senior filling 18 prescriptions per year. Those over 65 spend over twice the national average on prescription drugs each year.

Particular concern exists regarding Washington seniors who lack prescription drug insurance coverage. Standard Medicare does not cover outpatient prescription drugs. Supplemental policies covering drugs are limited, and are unaffordable to some. Limited drug coverage may also be provided through Medicare managed care plans, but these are increasingly unavailable. At the state level, the Basic Health Plan includes prescription drug coverage, but is not open to anyone who is Medicare eligible. It is estimated that between fifty and sixty thousand seniors in this state whose family income is below 200 percent of the federal poverty level lack any sort of prescription drug coverage.

The federal Centers for Medicare and Medicaid Services (CMS) is now offering states an opportunity to extend Medicaid prescription drug coverage to certain low-income elderly individuals who are not otherwise eligible for Medicaid. This coverage is made available through Section 1115 demonstration authority. The waiver is called "Pharmacy Plus." Five states have received waiver approval for their subsidy plans, while nine other states have filed applications.

Some who need prescription drugs may turn to the assistance programs sponsored by pharmaceutical manufacturers that offer drugs on a reduced or no-cost basis. There is concern that these programs are inconsistent and not easy to access.

At the local level, some programs exist intended to better educate seniors on safe and appropriate use of medications, and there is a desire to replicate those programs in other parts of the state.

**Summary of Bill:** The Legislature states its intent to create a pharmacy access program to implement strategies to reduce the cost of prescription drugs and ensure state residents continued access to affordable medications.

The Department of Social and Health Services (DSHS) is directed to award prescription drug information and education grants to local government or nonprofit organizations for the design and implementation of programs intended to inform and train persons age 65 and older in the safe and appropriate use of prescription and non-prescription medications. The grants are awarded on a competitive basis, based on criteria specified in the bill. No single program is to be awarded more than \$10,000 annually.

DSHS must establish a Pharmacy Connection program through which health care providers and members of the public can obtain information about and help in accessing manufacturer-sponsored prescription drug assistance programs. The program is to initially target seniors, and include a toll-free number that may be used to obtain information.

DSHS is directed to submit and, upon approval, implement a waiver request to the federal Centers for Medicare and Medicaid Services to establish a Medicaid senior prescription drug assistance program. The waiver allows persons age 65 and older with incomes up to 150 percent of the federal poverty level, who otherwise lack prescription drug coverage, to receive prescription drugs under the state's Medicaid program. Enrollment is limited to prevent an over-expenditure of the program's appropriation.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2003.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.