

SENATE BILL REPORT

ESHB 1480

As Reported by Senate Committee On:
Health Care, March 28, 2013

Title: An act relating to providing prescription drugs by direct practice providers.

Brief Description: Concerning the provision of prescription drugs by direct practice providers.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Green, Schmick, Cody, Harris and Jinkins).

Brief History: Passed House: 3/05/13, 97-0.

Committee Activity: Health Care: 3/27/13, 3/28/13 [DP].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: Do pass.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Keiser, Ranking Member; Bailey, Cleveland, Ericksen, Frockt, Parlette and Schlicher.

Staff: Mich'l Needham (786-7442)

Background: A direct practice is a provider, group of providers, or entity that:

- charges a fee, known as the direct fee, for primary care services;
- provides only primary care;
- describes the services it provides and fees that it charges in written agreements with patients; and
- does not bill insurance.

Direct practices are not considered insurance and are therefore exempt from most insurance laws.

A direct practice may not provide prescription drugs in consideration for the direct fee. However, a direct practice may charge an additional fee for medications that are specifically excluded under the patient's agreement with the practice. The direct practice must notify the patient of the additional charge prior to delivery of the medications.

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.

A direct practice may pay for charges associated with lab and imaging services. Payments for lab and imaging services may not exceed 15 percent of the direct fee charged to the patient, except in cases of short-term equipment failure.

Summary of Bill: A direct practice may pay for charges associated with the dispensing, at no additional cost to the direct patient, of an initial supply of generic prescription drugs prescribed by the direct provider. The initial supply may not exceed 30 days' worth. In aggregate, payments for prescription drugs and lab and imaging services may not exceed 15 percent of the direct fee charged to the patient.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is in the spirit of direct practice providers serving their patients and giving them a first fill of a generic prescription. This version provides the first fill only and included some side boards to ensure the direct practices do not turn into pharmacies. This is a simple bill. There are really two elements to the current law governing direct practices – what they can include in the agreement and what is excluded from the agreement. When the practices started there was some thought about providing samples of drugs, but we do not use sample so we can avoid starting patients on expensive brand name drugs in favor of generics. This will just clarify that we can provide the first fill of a generic drug within the patient agreement.

Persons Testifying: PRO: Representative Green, prime sponsor; Lisa Thatcher, Qliance.