

HOUSE BILL REPORT

E2SSB 6087

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to cost-sharing requirements for coverage of insulin products.

Brief Description: Imposing cost-sharing requirements for coverage of insulin products.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Conway, Das, Hasegawa, Hunt, Kuderer, Pedersen, Randall, Rolfes, Stanford, Saldaña, Wilson, C. and Sheldon).

Brief History:

Committee Activity:

Health Care & Wellness: 2/25/20, 2/27/20 [DPA].

**Brief Summary of Engrossed Second Substitute Bill
(As Amended by Committee)**

- Limits out-of-pocket expenses for a 30-day supply of insulin to \$100.
- Requires the Health Care Authority to monitor the price of insulin.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 12 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Chambers, Chopp, Davis, Maycumber, Riccelli, Robinson, Stonier, Thai and Tharinger.

Minority Report: Do not pass. Signed by 1 member: Representative DeBolt.

Minority Report: Without recommendation. Signed by 1 member: Representative Harris.

Staff: Kim Weidenaar (786-7120).

Background:

State Agency Work on Prescription Drug Costs.

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.

In 2016 the Department of Health convened a task force to evaluate factors contributing to out-of-pocket costs for patients, including prescription drug cost trends. The same year, the Health Care Authority (HCA) and the Office of Financial Management prepared a report on prescription drug costs and potential purchasing strategies. The report describes increases in state agency spending on prescription drugs in recent years, current cost drivers, strategies to slow the rate of prescription drug spending, and policy options.

Insulin.

According to data from the All Payer Claims Database (APCD), in 2018, approximately 90,000 Washington residents filled 771,000 prescriptions for insulin, which represents a 15 percent increase since 2014. This number does not include Veteran's Administration plans and some self-insured plans not captured by the APCD.

Summary of Amended Bill:

Health plans, including health plans offered to public employees and their dependents, issued or renewed on or after January 1, 2021, must cap the total amount that an enrollee is required to pay for a 30-day supply of insulin at \$100.

Prescription insulin drugs must be covered without being subject to a deductible, and any cost sharing paid by an enrollee must be applied toward the enrollee's deductible obligation. The requirements of the bill expire on January 1, 2023. High deductible health plans will be exempt from the cost-sharing cap in the event federal guidance changes concerning insulin as a preventative care. The HCA must monitor the wholesale acquisition cost of insulin products sold in Washington.

Amended Bill Compared to Engrossed Second Substitute Bill:

The amended bill removes the provisions that allow a health plan to submit a request to the Office of the Insurance Commissioner to increase the out-of-pocket cost by \$5 for every \$100 increase in the cost of insulin.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Everyone is well aware of the problems that are facing us with the high cost of drugs. This is a life or death issue. In Washington 890,000 people have diabetes and it is the sixth leading cause of death in the United States. The work on these bills will make a

profound difference in the lives of residents. There is precedent for this type of policy in other states. While drug manufacturers do offer rebates, they are often only good for a year and have major loopholes. This bill will go much further to help people.

Parents would give up everything for a child's insulin, but they should not have to do that. They should at least be able to afford it. Diabetes is an unpredictable, expensive, and cruel disease with no cure. Pharmaceutical companies have put a price on the lives of those with diabetes. A child is not supposed to be worried about dying or not getting insulin.

In addition to parents, seniors are also impacted and action is needed. An AARP poll found that 70 percent of those polled found it difficult to pay for all medications and that to offset the price, 26 percent cut dosage or forgo dosage to pay for other necessities.

Nearly a quarter of those who need insulin have rationed insulin due to cost, which can lead to severe complications. Without insulin some people will die or get kidney disease. People deserve better. This bill is a good step, but it is not nearly enough. Lowering the monthly price to \$30 would make this much less arduous. That would be \$1 a day.

This bill is vital. Life is short. Please pass the bill while there is still time.

(Opposed) None.

(Other) A lot of good work has been done by the advocates on this issue. However, the health insurance industry has reservations about setting this type of precedent, even though the bill has been improved. The focus really should be on those who set the price. House Bill 2662 takes a more holistic approach to actually bend the cost curve.

Persons Testifying: (In support) Senator Keiser, prime sponsor; Laila Markland; Amber Markland; Levi Markland; Cathy MacCaul, AARP; Kevin Wren, Washington #insulin4all; Marcella Stone-Vekich; Jennifer Perkins; and Cindi Laws, Health Care for All Washington.

(Other) Chris Bandoli, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: None.