

1 **ESSB 5904** - H COMM AMD **NOT ADOPTED 4/24/03**
2 By Committee on Health Care

3 Strike everything after the enacting clause and insert the
4 following:

5 "NEW SECTION. **Sec. 1.** The legislature finds that prescription
6 drugs are an effective and important part of efforts to maintain
7 and improve the health of Washington state residents. However,
8 their increased cost and utilization is straining the resources of
9 many people, particularly low-income elderly people who lack
10 insurance coverage for such drugs. Furthermore, inappropriate use
11 of prescription drugs can result in unnecessary expenditures and
12 lead to serious health consequences. It is therefore the intent of
13 the legislature to establish an evidence-based preferred drug list,
14 develop programs to provide prescription drugs at an affordable
15 price to those in need, and increase public awareness regarding
16 their safe and cost-effective use.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09
18 RCW to read as follows:

19 (1) To the extent funds are appropriated specifically for this
20 purpose, and subject to any conditions placed on appropriations
21 made for this purpose, the department shall design the medicaid
22 prescription drug assistance program. Neither the benefits of, nor
23 eligibility for, the program is considered to be an entitlement.

24 (2) The department is directed to obtain necessary federal
25 waivers to implement this program. Consistent with federal waiver
26 conditions, the department is authorized to charge enrollment fees,
27 premiums, or point-of-service cost-sharing to enrollees of the
28 program.

29 (3) Eligibility for this program is limited to persons:

30 (a) Who are eligible for medicare or age sixty-five and older;

31 (b) Whose family income does not exceed two hundred percent of

1 the federal poverty level as adjusted for family size and
2 determined annually by the federal department of health and human
3 services;

4 (c) Who do not otherwise have insurance that provides
5 prescription drug coverage; and

6 (d) Who are not otherwise eligible under Title XIX of the
7 federal social security act.

8 (4) The department is authorized to use a cost-effective
9 prescription drug benefit design. Consistent with federal waiver
10 conditions, this benefit design can be different than the benefit
11 design offered under the medical assistance program. The benefit
12 design may include a deductible benefit that provides coverage when
13 enrollees incur higher prescription drug costs as defined by the
14 department. The department also may offer more than one benefit
15 design.

16 (5) The department is authorized to limit enrollment of persons
17 who qualify for the program so as to prevent an overexpenditure of
18 appropriations for this program or to assure necessary compliance
19 with federal waiver budget neutrality requirements. The department
20 shall not reduce existing medical assistance program eligibility or
21 benefits to assure compliance with federal waiver budget neutrality
22 requirements.

23 (6) No funds from an approved federal waiver that allows for
24 the collection of premiums from medicaid clients will be used to
25 finance the medicaid prescription drug assistance program.

26 (7) This program will be terminated within twelve months after
27 implementation of a prescription drug benefit under Title XVIII of
28 the federal social security act.

29 (8) The department shall provide recommendations to the
30 appropriate committees of the senate and house of representatives
31 by November 15, 2003, on financing options available to support the
32 medicaid prescription drug assistance program. In recommending
33 financing options, the department shall explore every opportunity
34 to maximize federal funding to support the program.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05
36 RCW to read as follows:

37 (1) The health care authority shall establish a prescription
38 drug purchasing consortium and shall coordinate the participation

1 of state agencies and private individuals in the consortium. The
2 authority shall establish a preferred drug list for use as provided
3 in this chapter through an evidence-based process that evaluates
4 the efficacy of prescription drugs, considering safety, efficacy,
5 likelihood of compliance, outcomes, and any unique impacts on
6 specific populations based upon factors such as sex, age,
7 ethnicity, race, or disability. The preferred drug list shall be
8 used for entities and private individuals participating in the
9 consortium.

10 (2) State purchased health care programs shall purchase
11 prescription drugs through the consortium for those prescription
12 drugs that are purchased directly by the state and those that are
13 purchased through reimbursement of retail pharmacies. The
14 administrator shall not require that any supplemental rebate
15 offered by a pharmaceutical manufacturer for prescription drugs
16 purchased for medical assistance program clients under chapter
17 74.09 RCW be extended to state purchased health care programs other
18 than medical assistance, or to private individuals participating in
19 the consortium. The administrator shall explore joint purchasing
20 opportunities with other states to achieve quality cost-effective
21 prescription drug coverage for those participating in the
22 consortium.

23 (3) Participation in the purchasing consortium and other
24 related activities is purely voluntary for individuals who lack
25 insurance or are underinsured for prescription drug coverage.
26 Unaffiliated individuals who participate in the consortium shall
27 receive reduced costs comparable to those negotiated by the
28 consortium for its preferred prescription drugs. The administrator
29 may set reasonable fees, including enrollment fees for
30 participating individuals, to cover administrative costs
31 attributable to participation in prescription drug consortium
32 activities. A private individual may limit their participation to
33 one or more of the consortium's program components.

34 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.05
35 RCW to read as follows:

36 The consolidated prescription drug purchasing account is
37 created in the custody of the state treasurer. All receipts under
38 section 3(3) of this act from the fees from the price discount

1 program created in section 3 of this act must be deposited into the
2 account. Expenditures from the account may be used only for the
3 purposes of section 3 of this act. Only the administrator or the
4 administrator's designee may authorize expenditures from the
5 account. The account is subject to allotment procedures under
6 chapter 43.88 RCW, but an appropriation is not required for
7 expenditures.

8 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05
9 RCW to read as follows:

10 (1) The administrator shall establish and advertise a pharmacy
11 connection program through which health care providers and members
12 of the public can obtain information about manufacturer-sponsored
13 prescription drug assistance programs. The administrator shall
14 ensure that the program has staff available who can assist persons
15 in procuring free or discounted medications from manufacturer-
16 sponsored prescription drug assistance programs by:

17 (a) Determining whether an assistance program is offered for
18 the needed drug or drugs;

19 (b) Evaluating the likelihood of a person obtaining drugs from
20 an assistance program under the guidelines formulated;

21 (c) Assisting persons with the application and enrollment in an
22 assistance program;

23 (d) Coordinating and assisting physicians and others authorized
24 to prescribe medications with communications, including
25 applications, made on behalf of a person to a participating
26 manufacturer to obtain approval of the person in an assistance
27 program; and

28 (e) Working with participating manufacturers to simplify the
29 system whereby eligible persons access drug assistance programs,
30 including development of a single application form and uniform
31 enrollment process.

32 (2) Notice regarding the pharmacy connection program shall
33 initially target senior citizens, but the program shall be
34 available to anyone, and shall include a toll-free telephone
35 number, available during regular business hours, that may be used
36 to obtain information.

37 (3) The administrator may apply for and accept grants or gifts
38 and may enter into interagency agreements or contracts with other

1 state agencies or private organizations to assist with the
2 implementation of this program including, but not limited to,
3 contracts, gifts, or grants from pharmaceutical manufacturers to
4 assist with the direct costs of the program.

5 (4) The administrator shall notify pharmaceutical companies
6 doing business in Washington of the pharmacy connection program.
7 Any pharmaceutical company that does business in this state and
8 that offers a pharmaceutical assistance program shall notify the
9 administrator of the existence of the program, the drugs covered by
10 the program, and all information necessary to apply for assistance
11 under the program.

12 (5) For purposes of this section, "manufacturer-sponsored
13 prescription drug assistance program" means a program offered by a
14 pharmaceutical company through which the company provides a drug or
15 drugs to eligible persons at no charge or at a reduced cost. The
16 term does not include the provision of a drug as part of a clinical
17 trial.

18 NEW SECTION. Sec. 6. A new section is added to chapter 74.09
19 RCW to read as follows:

20 Each of the state's area agencies on aging shall implement a
21 program intended to inform and train persons sixty-five years and
22 older in the safe and appropriate use of prescription and
23 nonprescription medications. To further this purpose, the
24 department shall award a development grant of up to twenty-five
25 thousand dollars to each of the agencies upon a showing that:

26 (1) The agency has the ability to effectively administer such
27 a program, including an understanding of the relevant issues and
28 appropriate outreach and follow-up;

29 (2) The agency can bring resources to the program in addition
30 to those funded by the grant; and

31 (3) The program will be a collaborative effort between the
32 agency and other health care providers and programs in the location
33 to be served, including doctors, pharmacists, and long-term care
34 providers.

35 NEW SECTION. Sec. 7. A new section is added to chapter 41.05
36 RCW to read as follows:

37 The authority may adopt rules to implement this act.

