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**Health Care Committee**

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**HB 1091**

**Brief Description:** Creating the prescription drug quality improvement and purchasing board.

**Sponsors:** Representatives Cody, Campbell, Morrell, Schual-Berke, Edwards, Kessler, Fromhold, Kenney, Dickerson, Conway, Pettigrew, Wallace, Lovick, Cooper, Veloria, Romero, Hudgins, Sullivan, Upthegrove, Chase, McDermott, Simpson, Darneille, Wood, Moeller and Kagi.

**Brief Summary of Bill**

- Creates a prescription drug board to design and approve policies and programs related to purchasing and utilizing prescription drugs.
- Creates a purchasing consortium for prescription drugs including public and private entities and individuals.

**Hearing Date:** 1/21/03

**Staff:** Dave Knutson (786-7146).

**Background:**

Expenditures for prescription drugs have been one of the fastest growing components of health care spending in the last decade, increasing more than 12 percent a year in seven of the last 13 years. New, more expensive drugs, greater patient utilization, and price increases have all contributed to rapidly increasing prescription drug prices. Although they remain a relatively small proportion of total personal health care expenditures, the annual percent increases in spending for prescription drugs have been more than double those for other health care services since 1995.

State purchased health care programs have been heavily impacted by rapidly escalating prescription drug prices, prompting most states to adopt various strategies to control such expenditures. Many states are pursuing consolidated drug purchasing strategies designed to seek greater price discounts from pharmaceutical manufacturers.

Individuals who do not have prescription drug insurance coverage are forced to pay retail prices for prescription drugs, or seek lower cost drugs in Canada. Currently, the state of Washington does not assist senior citizens or individuals who are uninsured or under insured in paying for prescription drugs.

**Summary of Bill:**

The Prescription Drug Quality Improvement and Purchasing Board is created within the Health Care Authority. The board will design and approve policies and programs related to the development of a preferred drug list and the purchase and utilization of prescription drugs for public and private participants in the prescription drug purchasing consortium.

State agencies that administer health care programs purchasing prescription drugs directly or through reimbursement of retail pharmacies, will honor a prescriber's direction to dispense a prescription drug as written on the prescription order. Pharmacists who fill prescriptions under the preferred drug list established by the board will substitute the preferred drug for any nonpreferred drug, unless the prescriber has indicated that the prescription should be dispensed as written.

State agencies and programs that are able to purchase prescription drugs at a lower cost than may be obtained through the purchasing consortium are not required to participate.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.