## CERTIFICATION OF ENROLLMENT

### ENGROSSED SUBSTITUTE SENATE BILL 5892

Chapter 575, Laws of 2009

61st Legislature 2009 Regular Session

### STATE PURCHASED HEALTH CARE--PRESCRIPTION DRUGS

EFFECTIVE DATE: 05/19/09

Passed by the Senate April 24, 2009 CERTIFICATE YEAS 29 NAYS 15 I, Thomas Hoemann, Secretary of the Senate of the State of BRAD OWEN Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5892** as President of the Senate passed by the Senate and the House Passed by the House April 21, 2009 of Representatives on the dates YEAS 54 NAYS 43 hereon set forth. FRANK CHOPP THOMAS HOEMANN Speaker of the House of Representatives Secretary Approved May 19, 2009, 4:09 p.m. FILED May 20, 2009

> Secretary of State State of Washington

CHRISTINE GREGOIRE

Governor of the State of Washington

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ENGROSSED SUBSTITUTE SENATE BILL 5892

### AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Keiser and Shin; by request of Governor Gregoire)

READ FIRST TIME 03/02/09.

- 1 AN ACT Relating to authorizing state purchased health care programs
- 2 to maximize appropriate prescription drug use in a cost-effective
- 3 manner; amending RCW 69.41.190; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 69.41.190 and 2006 c 233 s 1 are each amended to read 6 as follows:
- 7 (1)(a) Except as provided in subsection (2) of this section, any
- 8 pharmacist filling a prescription under a state purchased health care
- 9 program as defined in RCW 41.05.011(2) shall substitute, where
- 10 identified, a preferred drug for any nonpreferred drug in a given
- 11 therapeutic class, unless the endorsing practitioner has indicated on
- 12 the prescription that the nonpreferred drug must be dispensed as
- 13 written, or the prescription is for a refill of an antipsychotic,
- 14 antidepressant, <u>antiepileptic</u>, chemotherapy, antiretroviral, or
- immunosuppressive drug, or for the refill of a immunomodulator/antiviral treatment for hepatitis C for which an
- 17 established, fixed duration of therapy is prescribed for at least
- 18 twenty-four weeks but no more than forty-eight weeks, in which case the
- 19 pharmacist shall dispense the prescribed nonpreferred drug.

- $((\frac{(2)}{(2)}))$  (b) When a substitution is made under (a) of this 2 subsection  $((\frac{(1)}{-of}-this-section}))$ , the dispensing pharmacist shall 3 notify the prescribing practitioner of the specific drug and dose 4 dispensed.
  - (2)(a) A state purchased health care program may impose limited restrictions on an endorsing practitioner's authority to write a prescription to dispense as written only under the following circumstances:
- 9 <u>(i) There is statistical or clear data demonstrating the endorsing</u>
  10 <u>practitioner's frequency of prescribing dispensed as written for</u>
  11 <u>nonpreferred drugs varies significantly from the prescribing patterns</u>
  12 of his or her peers;
  - (ii) The medical director of a state purchased health program has:

    (A) Presented the endorsing practitioner with data that indicates the endorsing practitioner's prescribing patterns vary significantly from his or her peers, (B) provided the endorsing practitioner an opportunity to explain the variation in his or her prescribing patterns to those of his or her peers, and (C) if the variation in prescribing patterns cannot be explained, provided the endorsing practitioner sufficient time to change his or her prescribing patterns to align with those of his or her peers; and
    - (iii) The restrictions imposed under (a) of this subsection (2) must be limited to the extent possible to reduce variation in prescribing patterns and shall remain in effect only until such time as the endorsing practitioner can demonstrate a reduction in variation in line with his or her peers.
    - (b) A state purchased health care program may immediately designate an available, less expensive, equally effective generic product in a previously reviewed drug class as a preferred drug, without first submitting the product to review by the pharmacy and therapeutics committee established pursuant to RCW 70.14.050.
- 32 (c) For a patient's first course of treatment within a therapeutic
  33 class of drugs, a state purchased health care program may impose
  34 limited restrictions on endorsing practitioners' authority to write a
  35 prescription to dispense as written, only under the following
  36 circumstances:
- 37 <u>(i) There is a less expensive, equally effective therapeutic</u> 38 alternative generic product available to treat the condition;

(ii) The drug use review board established under WAC 388-530-4000 reviews and provides recommendations as to the appropriateness of the limitation;

- (iii) Notwithstanding the limitation set forth in (c)(ii) of this subsection (2), the endorsing practitioner shall have an opportunity to request as medically necessary, that the brand name drug be prescribed as the first course of treatment;
- (iv) The state purchased health care program may provide, where available, prescription, emergency room, diagnosis, and hospitalization history with the endorsing practitioner; and
- (v) Specifically for antipsychotic restrictions, the state purchased health care program shall effectively guide good practice without interfering with the timeliness of clinical decision making. Department of social and health services prior authorization programs must provide for responses within twenty-four hours and at least a seventy-two hour emergency supply of the requested drug.
  - (d) If, within a therapeutic class, there is an equally effective therapeutic alternative over-the-counter drug available, a state purchased health care program may designate the over-the-counter drug as the preferred drug.
  - (e) A state purchased health care program may impose limited restrictions on endorsing practitioners' authority to prescribe pharmaceuticals to be dispensed as written for a purpose outside the scope of their approved labels only under the following circumstances:
  - (i) There is a less expensive, equally effective on-label product available to treat the condition;
- 27 <u>(ii) The drug use review board established under WAC 388-530-4000</u>
  28 <u>reviews and provides recommendations as to the appropriateness of the</u>
  29 limitation; and
  - (iii) Notwithstanding the limitation set forth in (e)(ii) of this subsection (2), the endorsing practitioner shall have an opportunity to request as medically necessary, that the drug be prescribed for a covered off-label purpose.
- (f) The provisions of this subsection related to the definition of medically necessary, prior authorization procedures and patient appeal rights shall be implemented in a manner consistent with applicable federal and state law.

- 1 (3) Notwithstanding the limitations in subsection (2) of this
  2 section, for refills for an antipsychotic, antidepressant,
  3 antiepileptic, chemotherapy, antiretroviral, or immunosuppressive drug,
  4 or for the refill of an immunomodulator antiviral treatment for
  5 hepatitis C for which an established, fixed duration of therapy is
  6 prescribed for at least twenty-four weeks by no more than forty-eight
  7 weeks, the pharmacist shall dispense the prescribed nonpreferred drug.
- NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 24, 2009. Passed by the House April 21, 2009. Approved by the Governor May 19, 2009. Filed in Office of Secretary of State May 20, 2009.