

HOUSE BILL REPORT

HB 1565

As Reported by House Committee On: Appropriations

Title: An act relating to funding the prescription monitoring program from the medicaid fraud penalty account.

Brief Description: Funding the prescription monitoring program from the medicaid fraud penalty account.

Sponsors: Representatives Harris, Green, Jinkins, Cody, Ryu and Morrell.

Brief History:

Committee Activity:

Appropriations: 2/11/13, 2/13/13 [DP].

Brief Summary of Bill

- Adds the Prescription Monitoring Program (PMP) to the allowable uses of Medicaid Fraud Penalty Account (Account) funds.
- Requires that the PMP be funded entirely from the Account aside from voluntary contributions from private individuals and corporations.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Dahlquist, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Parker, Pedersen, Pike, Ross, Schmick, Seaquist, Springer, Sullivan and Taylor.

Staff: Mary Mulholland (786-7391).

Background:

Prescription Monitoring Program.

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.

The 2007 Legislature authorized the Department of Health (DOH) to implement a Prescription Monitoring Program (PMP), subject to available funding, to monitor the prescribing and dispensing of schedule II through V controlled substances. Dispensers, who include practitioners and pharmacies, must electronically report information to the DOH about each prescription dispensed. Information in the PMP is available to prescribers and dispensers.

The 2007 legislation directed the DOH to seek federal grants to support the PMP and prohibits the DOH from charging a fee to practitioners or pharmacists for the PMP's operations.

In 2010 and 2011 the DOH received federal and private grants to develop and implement the PMP.

Medicaid Fraud Penalty Account.

The 2012 Legislature enacted legislation creating the Medicaid Fraud Penalty Account (Account). Civil penalties received from actions against Medicaid service providers and receipts from judgments or settlements under either the state Medicaid Fraud False Claims Act or federal False Claims Act must be deposited into the Account. Moneys in the Account may be appropriated for Medicaid services and Medicaid fraud prevention, detection, and enforcement activities.

Summary of Bill:

The Account may be used to fund the PMP. All operations and management of the PMP must be funded entirely from the Account, although voluntary contributions from private individuals and businesses may be used to assist in funding the PMP. The DOH must continue to seek federal grants to support the PMP.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The program is a tool that helps protect client safety and prevent fraud, waste, and abuse. Prescription drug abuse is a national and local problem that causes unintentional deaths. The program also helps reduce costs by reducing hospitalizations, emergency room usage, and identifying and preventing Medicaid fraud. The value of the program comes from providers and dispensers using the data. The program also allows Medicaid to report on data such as when a client is paying cash for prescription drugs. The bill would provide ongoing

funding for the program. The one caveat is that the Account is new and we hope that its viability continues.

(Opposed) None.

Persons Testifying: Karen Jensen, Department of Health; Heidi Robbins-Brown, Health Care Authority; Carl Nelson, Washington State Medical Association; and David Guidry.

Persons Signed In To Testify But Not Testifying: None.