

SENATE BILL REPORT

SB 6569

As Reported by Senate Committee On:
Health Care, February 4, 2016

Title: An act relating to the creation of a task force on patient out-of-pocket costs.

Brief Description: Creating a task force on patient out-of-pocket costs.

Sponsors: Senators Cleveland, Becker, Carlyle, Keiser and Ranker.

Brief History:

Committee Activity: Health Care: 2/02/16, 2/04/16 [DPS].

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 6569 be substituted therefor, and the substitute bill do pass.

Signed by Senators Becker, Chair; Dammeier, Vice Chair; Cleveland, Ranking Minority Member; Angel, Bailey, Brown, Conway, Frockt, Jayapal, Keiser and Rivers.

Staff: Mich'l Needham (786-7442)

Background: A recent Kaiser Family Foundation Health Tracking Poll indicates that half of the public reports taking a prescription drug, and almost 40 percent of those people report taking four or more drugs. Of those individuals taking four or more drugs, 38 percent say it is difficult to afford the cost of the prescriptions, and 35 percent say they or a family member has not filled a prescription or has cut pills in half or skipped doses because of the cost. The cost of prescription drugs are identified as a primary area of concern, along with the deductible that must be paid prior to insurance coverage, and the insurance premiums.

Summary of Bill (Recommended Substitute): The Department of Health must convene a task force on patient out-of-pocket costs. The task force shall include representatives from all participants with a role in determining the prescription drug costs and out-of-pocket costs for patients. Participants may include patient groups, insurance carriers, pharmacists, pharmacy benefit managers, pharmaceutical companies, prescribers, hospitals, the Office of the Insurance Commissioner, the Health Care Authority and other purchasers, the Office of Financial Management, unions, a Taft-Hartley Trust, a business association, and biotechnology representatives.

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The task force shall evaluate factors contributing to the out-of-pocket costs for patients, particularly in the first quarter of each year. Factors shall include prescription drug cost trends and plan benefit design. The task force must consider patient treatment adherence and the impact on chronic illness and acute disease, with consideration of the long-term outcomes and costs for the patient. The discussion must consider the impact when patients cannot maintain access to their prescription drugs and the implications of adverse health impacts such as more expensive medical interventions or hospitalizations and the impact on the workforce with the loss of productivity. The discussion must also consider the impact of the factors on the affordability of health care coverage.

The task force recommendations, or a summary of the discussions, must be provided to the appropriate committees of the Legislature by December 1, 2016.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (Recommended Substitute): The following members are added to the task force: pharmacists, pharmacy benefit managers, a Taft-Hartley Trust, and a business association. References to components of the benefit package are removed - such as the specialty tiers, prescription drug cost-sharing structures, and the prescription deductible. The task force discussion must also consider the impact of the factors on the affordability of health care coverage. The report is due December 1, 2016 rather than October 1, 2017.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: There is so much complexity with prescription costs and it is important to look at the issue, particularly from the viewpoint of patients. We want to look at what contributes to out-of-pocket costs for all of the players and start a conversation that can generate good ideas. Arthritis patients have found their medications to be game changers but the out-of-pocket costs impact access to care. The adverse impact is not just from specialty drugs but a whole array of medications are becoming unaffordable, like the modern insulins that manage diabetes effectively. There is no simple solution but if we bring people together we can begin to identify solutions. The bleeding disorder collaborative you established last session has been successful at bringing people to the table and serves as a model for this task force. While some conversations are uncomfortable we all learn more from each other. There are huge out-of-pocket costs for chronic conditions like bleeding disorders but we know that some approaches like capping the copays may not be the right solution for Washington. We have some friendly amendment suggestions and want people to understand that the benefit design components are a package of components that tie together with the actuarial values and the premiums. It is not possible to just pull one of the components out without impacting the other components. We support the House language that revised the timeline to allow the information to be available for the 2017 session. This is an important issue and we request that pharmacists and pharmacy benefit managers be added to the task force.

Persons Testifying on Original Bill: PRO: Senator Cleveland, prime sponsor; Erin Dziedzic, Bleeding disorder foundation of Washington; Stephanie Simpson , Bleeding Disorder Foundation of Washington; Johanna Lindsay, Arthritis Foundation; Amber Bronnum Moore, Group Health; Jeff Rochon, WA St. Pharmacy Association; Chris Bandoli, Regence BlueShield; Sydney Zvara, Assoc. of WA Healthcare Plans; Sheela Tallman, Premera Blue Cross.

Persons Signed In To Testify But Not Testifying on Original Bill: No one.