
SUBSTITUTE SENATE BILL 6113

State of Washington

66th Legislature

2020 Regular Session

By Senate Ways & Means (originally sponsored by Senators Keiser, Das, Hasegawa, Hunt, Kuderer, Pedersen, Randall, Rolfes, Van De Wege, and Wilson, C.)

READ FIRST TIME 02/07/20.

1 AN ACT Relating to creation of a central insulin purchasing
2 program; amending RCW 70.14.060; adding a new section to chapter
3 70.14 RCW; creating a new section; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the
6 price and utilization of insulin has steadily increased, making it
7 one of the costliest prescription drugs in the state.

8 (2) According to the Washington all-payer claims database, the
9 allowable costs before rebates for health carriers in the state have
10 increased eighty-seven percent since 2014 and per member out-of-
11 pocket costs have increased an average of eighteen percent over the
12 same time period.

13 (3) Therefore, the legislature intends to pursue a central
14 insulin purchasing program to leverage the buying power of all
15 insulin purchasers in the state and with the goal of lowering the
16 cost of insulin.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.14
18 RCW to read as follows:

1 (1) The central insulin purchasing work group is established. The
2 work group membership must consist of the following members appointed
3 by the governor:

4 (a) A representative from the northwest prescription drug
5 consortium;

6 (b) A representative from the pharmacy quality assurance
7 commission;

8 (c) A representative from an association representing independent
9 pharmacies;

10 (d) A representative from an association representing chain
11 pharmacies;

12 (e) A representative from each health carrier offering at least
13 one health plan in a commercial market in the state;

14 (f) A representative from each health carrier offering at least
15 one health plan to state or public school employees in the state;

16 (g) A representative from an association representing health
17 carriers;

18 (h) A representative from the public employees' benefits board or
19 the school employees' benefits board;

20 (i) A representative from the health care authority;

21 (j) A representative from a pharmacy benefit manager that
22 contracts with state purchasers;

23 (k) A representative from a drug distributor or wholesaler that
24 distributes or sells insulin in the state;

25 (l) A representative from a state agency that purchases health
26 care services and drugs for a selected population;

27 (m) A representative from the attorney general's office with
28 expertise in prescription drug purchasing;

29 (n) A representative from the office of the insurance
30 commissioner;

31 (o) A representative from an organization representing diabetes
32 patients who is living with diabetes; and

33 (p) A representative from an association representing research-
34 based manufacturers with expertise in the components contributing to
35 the cost of insulin to serve as a nonvoting member.

36 (2) The work group shall design a purchasing strategy to allow
37 the northwest prescription drug consortium to act as the single
38 purchaser of insulin for the state.

39 (3) Staff support for the work group shall be provided by the
40 health care authority.

1 (4) By July 1, 2021, the work group shall submit a report to the
2 governor and the legislature detailing the purchasing plan and any
3 statutory changes necessary to implement the plan.

4 (5) Upon completion of the plan, if the work group determines
5 that all or a portion of the plan can be implemented without
6 statutory changes, the prescription drug consortium may begin
7 implementation without further legislative direction.

8 (6) This section expires December 1, 2022.

9 **Sec. 3.** RCW 70.14.060 and 2009 c 560 s 13 are each amended to
10 read as follows:

11 (1)(a) The administrator of the state health care authority
12 shall, directly or by contract, adopt policies necessary for
13 establishment of a prescription drug purchasing consortium. The
14 consortium's purchasing activities shall be based upon the evidence-
15 based prescription drug program established under RCW 70.14.050.
16 State purchased health care programs as defined in RCW 41.05.011
17 shall purchase prescription drugs through the consortium for those
18 prescription drugs that are purchased directly by the state and those
19 that are purchased through reimbursement of pharmacies, unless
20 exempted under (b) of this ((section)) subsection. The administrator
21 shall not require any supplemental rebate offered to the ~~((department~~
22 ~~of social and health services))~~ authority by a pharmaceutical
23 manufacturer for prescription drugs purchased for medical assistance
24 program clients under chapter 74.09 RCW be extended to any other
25 state purchased health care program, or to any other individuals or
26 entities participating in the consortium. The administrator shall
27 explore joint purchasing opportunities with other states.

28 (b) State purchased health care programs are exempt from the
29 requirements of this section if they can demonstrate to the
30 administrator that, as a result of the availability of federal
31 programs or other purchasing arrangements, their other purchasing
32 mechanisms will result in greater discounts and aggregate cost
33 savings than would be realized through participation in the
34 consortium.

35 (2) Participation in the purchasing consortium shall be offered
36 as an option beginning January 1, 2006. Participation in the
37 consortium is purely voluntary for units of local government, private
38 entities, labor organizations, health carriers as provided in RCW
39 48.43.005, state purchased health care services from or through

1 health carriers, group model health maintenance organizations that
2 are accredited by the national committee for quality assurance, and
3 for individuals who lack or are underinsured for prescription drug
4 coverage. The administrator may set reasonable fees, including
5 enrollment fees, to cover administrative costs attributable to
6 participation in the prescription drug consortium.

7 ~~(3) ((This section does not apply to state purchased health care~~
8 ~~services that are purchased from or through health carriers as~~
9 ~~defined in RCW 48.43.005, or group model health maintenance~~
10 ~~organizations that are accredited by the national committee for~~
11 ~~quality assurance.~~

12 ~~(4))~~ The state health care authority is authorized to adopt
13 rules implementing chapter 129, Laws of 2005.

14 ~~((5) State purchased health care programs are exempt from the~~
15 ~~requirements of this section if they can demonstrate to the~~
16 ~~administrator that, as a result of the availability of federal~~
17 ~~programs or other purchasing arrangements, their other purchasing~~
18 ~~mechanisms will result in greater discounts and aggregate cost~~
19 ~~savings than would be realized through participation in the~~
20 ~~consortium.))~~

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