CERTIFICATION OF ENROLLMENT

## SECOND SUBSTITUTE SENATE BILL 5195

67th Legislature 2021 Regular Session

Passed by the Senate April 19, 2021 Yeas 49 Nays 0

President of the Senate

Passed by the House April 9, 2021 Yeas 89 Nays 8 CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 5195** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

Speaker of the House of Representatives

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

## SECOND SUBSTITUTE SENATE BILL 5195

AS AMENDED BY THE HOUSE

Passed Legislature - 2021 Regular Session

## State of Washington 67th Legislature 2021 Regular Session

**By** Senate Ways & Means (originally sponsored by Senators Liias, Muzzall, Das, Dhingra, Nguyen, and Wilson, C.)

READ FIRST TIME 02/22/21.

AN ACT Relating to opioid overdose reversal medication; amending RCW 70.41.480 and 39.26.125; adding a new section to chapter 70.41 RCW; adding a new section to chapter 71.24 RCW; adding new sections to chapter 74.09 RCW; adding new sections to chapter 70.14 RCW; adding a new section to chapter 41.05 RCW; adding a new section to chapter 48.43 RCW; creating new sections; and providing an effective date.

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

9 <u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that:

10 (a) Opioid use disorder is a treatable brain disease from which 11 people recover;

12 (b) Individuals living with opioid use disorder are at high risk 13 for fatal overdose;

14 (c) Overdose deaths are preventable with lifesaving opioid 15 overdose reversal medications like naloxone;

16 (d) Just as individuals with life-threatening allergies should 17 carry an EpiPen, individuals with opioid use disorder should carry 18 opioid overdose reversal medication;

(e) There are 53,000 individuals in Washington enrolled in applehealth, Washington's medicaid program, that have a diagnosis of

1 opioid use disorder and yet there are alarmingly few medicaid claims 2 for opioid overdose reversal medication; and

(f) Most of the opioid overdose reversal medication distributed 3 in Washington is currently paid for with flexible federal and state 4 dollars and distributed in bulk, rather than appropriately billed to 5 6 a patient's insurance. Those finite flexible funds should instead be used for nonmedicaid eligible expenses or for opioid overdose 7 reversal medication distributed in nonmedicaid eligible settings or 8 to nonmedicaid eligible persons. The state's current methods for 9 acquisition and distribution of opioid overdose reversal medication 10 are not sustainable and insufficient to reach all Washingtonians 11 12 living with opioid use disorder.

13 (2) Therefore, it is the intent of the legislature to increase 14 access for all individuals with opioid use disorder to opioid 15 overdose reversal medication so that if they experience an overdose, 16 they will have a second chance. As long as there is breath, there is 17 hope for recovery.

18 Sec. 2. RCW 70.41.480 and 2019 c 314 s 18 are each amended to 19 read as follows:

20 (1) The legislature finds that high quality, safe, and compassionate health care services for patients of Washington state 21 22 must be available at all times. The legislature further finds that there is a need for patients being released from hospital emergency 23 24 departments to maintain access to emergency medications when community or hospital pharmacy services are not available, including 25 medication for opioid overdose reversal and for the treatment for 26 opioid use disorder as appropriate. It is the intent of the 27 legislature to accomplish this objective by allowing practitioners 28 29 with prescriptive authority to prescribe limited amounts of 30 prepackaged emergency medications to patients being discharged from 31 hospital emergency departments when access to community or outpatient 32 hospital pharmacy services is not otherwise available.

33 (2) A hospital may allow a practitioner to prescribe prepackaged 34 emergency medications and allow a practitioner or a registered nurse 35 licensed under chapter 18.79 RCW to distribute prepackaged emergency 36 medications to patients being discharged from a hospital emergency 37 department in the following circumstances:

38 (a) During times when community or outpatient hospital pharmacy
 39 services are not available within fifteen miles by road; or

1 (b) When, in the judgment of the practitioner and consistent with 2 hospital policies and procedures, a patient has no reasonable ability 3 to reach the local community or outpatient pharmacy((; or

(c) When, in the judgment of the practitioner and consistent with 4 hospital policies and procedures, a patient is at risk of opioid 5 6 overdose and the prepackaged emergency medication being distributed is an opioid overdose reversal medication. The labeling requirements 7 of RCW 69.41.050 and 18.64.246 do not apply to opioid overdose 8 reversal medications dispensed, distributed, or delivered pursuant to 9 a prescription, collaborative drug therapy agreement, standing order, 10 or protocol issued in accordance with this section. The individual or 11 entity that dispenses, distributes, or delivers an opioid overdose 12 reversal medication as authorized by this section must ensure that 13 directions for use are provided)). 14

(3) A hospital may only allow this practice if: The director of the hospital pharmacy, in collaboration with appropriate hospital medical staff, develops policies and procedures regarding the following:

(a) Development of a list, preapproved by the pharmacy director,
 of the types of emergency medications to be prepackaged and
 distributed;

(b) Assurances that emergency medications to be prepackaged
 pursuant to this section are prepared by a pharmacist or under the
 supervision of a pharmacist licensed under chapter 18.64 RCW;

(c) Development of specific criteria under which emergency prepackaged medications may be prescribed and distributed consistent with the limitations of this section;

(d) Assurances that any practitioner authorized to prescribe prepackaged emergency medication or any nurse authorized to distribute prepackaged emergency medication is trained on the types of medications available and the circumstances under which they may be distributed;

(e) Procedures to require practitioners intending to prescribe prepackaged emergency medications pursuant to this section to maintain a valid prescription either in writing or electronically in the patient's records prior to a medication being distributed to a patient;

(f) Establishment of a limit of no more than a forty-eight hour supply of emergency medication as the maximum to be dispensed to a patient, except when community or hospital pharmacy services will not

1 be available within forty-eight hours. In no case may the policy 2 allow a supply exceeding ninety-six hours be dispensed;

3 (g) Assurances that prepackaged emergency medications will be 4 kept in a secure location in or near the emergency department in such 5 a manner as to preclude the necessity for entry into the pharmacy; 6 and

7 (h) Assurances that nurses or practitioners will distribute 8 prepackaged emergency medications to patients only after a 9 practitioner has counseled the patient on the medication.

10 (4) The delivery of a single dose of medication for immediate 11 administration to the patient is not subject to the requirements of 12 this section.

13 (5) Nothing in this section restricts the authority of a 14 practitioner in a hospital emergency department to distribute opioid 15 overdose reversal medication under RCW 69.41.095.

16 (6) <u>A practitioner in a hospital emergency department must</u> 17 <u>dispense or distribute opioid overdose reversal medication in</u> 18 <u>compliance with section 3 of this act.</u>

19 <u>(7)</u> For purposes of this section:

20 (a) "Emergency medication" means any medication commonly 21 prescribed to emergency department patients, including those drugs, 22 substances or immediate precursors listed in schedules II through V 23 of the uniform controlled substances act, chapter 69.50 RCW, as now 24 or hereafter amended.

(b) "Distribute" means the delivery of a drug or device other than by administering or dispensing.

27 (c) <u>"Opioid overdose reversal medication" has the same meaning as</u> 28 provided in RCW 69.41.095.

29 (d) "Practitioner" means any person duly authorized by law or 30 rule in the state of Washington to prescribe drugs as defined in RCW 31 18.64.011(29).

32 ((<del>(d)</del>)) <u>(e)</u> "Nurse" means a registered nurse as defined in RCW 33 18.79.020.

34 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 70.41 35 RCW to read as follows:

36 (1) A hospital shall provide a person who presents to an 37 emergency department with symptoms of an opioid overdose, opioid use 38 disorder, or other adverse event related to opioid use with opioid 39 overdose reversal medication upon discharge, unless the treating

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practitioner determines in their clinical and professional judgment that dispensing or distributing opioid overdose reversal medication is not appropriate or the practitioner has confirmed that the patient already has opioid overdose reversal medication. If the hospital dispenses or distributes opioid overdose reversal medication it must provide directions for use.

7 (2) The opioid overdose reversal medication may be dispensed with 8 technology used to dispense medications.

9 (3) A person who is provided opioid overdose reversal medication 10 under this section must be provided information and resources about 11 medication for opioid use disorder and harm reduction strategies and 12 services which may be available, such as substance use disorder 13 treatment services and substance use disorder peer counselors. This 14 information should be available in all languages relevant to the 15 communities that the hospital serves.

16 (4) The labeling requirements of RCW 69.41.050 and 18.64.246 do 17 not apply to opioid overdose reversal medications dispensed or 18 distributed in accordance with this section.

(5) Until the opioid overdose reversal medication bulk purchasing and distribution program established in section 7 of this act is operational:

(a) If the patient is enrolled in a medical assistance program under chapter 74.09 RCW, the hospital must bill the patient's medicaid benefit for the patient's opioid overdose reversal medication utilizing the appropriate billing codes established by the health care authority. This billing must be separate from and in addition to the payment for the other services provided during the hospital visit.

(b) If the patient has available health insurance coverage other than medical assistance under chapter 74.09 RCW, the hospital must bill the patient's health plan for the cost of the opioid overdose reversal medication.

33 (c) For patients who are not enrolled in medical assistance and 34 do not have any other available insurance coverage, the hospital must 35 bill the health care authority for the cost of the patient's opioid 36 overdose reversal medication.

37 (6) This section does not prohibit a hospital from dispensing 38 opioid overdose reversal medication to a patient at no cost to the 39 patient out of the hospital's prepurchased supply.

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1 (7) Nothing in this section prohibits or modifies a hospital's 2 ability or responsibility to bill a patient's health insurance or to 3 provide financial assistance as required by state or federal law.

4 (8) A hospital, its employees, and its practitioners are immune 5 from suit in any action, civil or criminal, or from professional or 6 other disciplinary action, for action or inaction in compliance with 7 this section.

(9) For purposes of this section:

9 (a) "Opioid overdose reversal medication" has the meaning 10 provided in RCW 69.41.095.

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(b) "Practitioner" has the meaning provided in RCW 18.64.011.

12 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 71.24 13 RCW to read as follows:

(1) For any client presenting with symptoms of an opioid use 14 15 disorder, or who reports recent use of opioids outside legal authority, all licensed or certified behavioral health agencies that 16 provide individuals treatment for mental health or substance use 17 disorder, withdrawal management, secure withdrawal management, 18 19 evaluation and treatment, or opioid treatment programs must during 20 the client's intake, discharge, or treatment plan review, as 21 appropriate:

(a) Inform the client about opioid overdose reversal medication
 and ask whether the client has opioid overdose reversal medication;
 and

25 (b) If a client does not possess opioid overdose reversal 26 medication, unless the behavioral health provider determines using 27 clinical and professional judgment that opioid overdose reversal 28 medication is not appropriate, the behavioral health provider must:

(i) Prescribe the client opioid overdose reversal medication orutilize the statewide naloxone standing order; and

31 (ii) Assist the client in directly obtaining opioid overdose 32 reversal medication as soon as practical by:

33 (A) Directly dispensing the opioid overdose reversal medication,34 if authorized by state law;

35 (B) Partnering with a pharmacy to obtain the opioid overdose 36 reversal medication on the client's behalf and distributing the 37 opioid overdose reversal medication to the client;

38 (C) Assisting the client in utilizing a mail order pharmacy or 39 pharmacy that mails prescription drugs directly to the behavioral

1 health agency or client and distributing the opioid overdose reversal 2 medication to the client, if necessary;

3 (D) Obtaining and distributing opioid overdose reversal 4 medication through the bulk purchasing and distribution program 5 established in section 7 of this act; or

6 (E) Using any other resources or means authorized by state law to 7 provide opioid overdose reversal medication.

8 (2) Until the opioid overdose reversal medication bulk purchasing 9 and distribution program established in section 7 of this act is 10 operational, if a behavioral health agency listed in subsection (1) 11 of this section dispenses, distributes, or otherwise assists the 12 client in directly obtaining the opioid overdose reversal medication 13 such that the agency is the billing entity, the behavioral health 14 agency must:

15 (a) For clients enrolled in medical assistance under chapter 16 74.09 RCW, bill the client's medicaid benefit for the client's opioid 17 overdose reversal medication utilizing the appropriate billing codes 18 established by the health care authority.

(b) For clients with available health insurance coverage other than medical assistance under chapter 74.09 RCW, bill the client's health plan for the cost of the opioid overdose reversal medication.

(c) For clients who are not enrolled in medical assistance under chapter 74.09 RCW and do not have any other available health insurance coverage, bill the health care authority for the cost of the client's opioid overdose reversal medication.

(3) A pharmacy that dispenses opioid overdose reversal medication through a partnership or relationship with a behavioral health agency as described in subsection (1) of this section must bill the health care authority for the cost of the client's opioid overdose reversal medication for clients that are not enrolled in medical assistance under chapter 74.09 RCW and do not have any other available health insurance coverage.

33 (4) The labeling requirements of RCW 69.41.050 and 18.64.246 do 34 not apply to opioid overdose reversal medication dispensed or 35 delivered in accordance with this section.

36 (5) A person who is provided opioid overdose reversal medication 37 under this section must be provided information and resources about 38 medication for opioid use disorder and harm reduction strategies and 39 services which may be available, such as substance use disorder 40 treatment services and substance use disorder peer counselors. This

information should be available in all languages relevant to the
 communities that the behavioral health agency serves.

3 (6) The individual or entity that dispenses, distributes, or 4 delivers an opioid overdose reversal medication in accordance with 5 this section shall ensure that the directions for use are provided.

6 (7) Actions taken in compliance with subsection (1) of this 7 section by an entity that provides only mental health treatment may 8 not be construed as the entity holding itself out as providing or in 9 fact providing substance use disorder diagnosis, treatment, or 10 referral for treatment for purposes of state or federal law.

(8) A behavioral health agency, its employees, and providers are immune from suit in any action, civil or criminal, or from professional or other disciplinary action, for action or inaction in compliance with this section.

15 (9) For purposes of this section, "opioid overdose reversal 16 medication" has the meaning provided in RCW 69.41.095.

17 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 74.09 18 RCW to read as follows:

19 Until the opioid overdose reversal medication bulk purchasing and 20 distribution program established in section 7 of this act is 21 operational:

(1) Upon initiation or renewal of a contract with the authority administer a medicaid managed care plan, a managed care organization must reimburse a hospital or behavioral health agency for dispensing or distributing opioid overdose reversal medication to a covered person under sections 3 and 4 of this act.

(2) If the person is not enrolled in a medicaid managed care plan and does not have any other available insurance coverage, the authority must reimburse a hospital, behavioral health agency, or pharmacy for dispensing or distributing opioid overdose reversal medication under sections 3 and 4 of this act.

32 <u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 74.09 33 RCW to read as follows:

(1) The authority, in consultation with the department of health, the office of the insurance commissioner, and the addictions, drug, and alcohol institute at the University of Washington, shall provide technical assistance to hospitals and licensed or certified, behavioral health agencies to assist these entities, practitioners,

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1 and providers in complying with sections 3 and 4 of this act. The 2 technical assistance provided to behavioral health agencies must 3 include:

4 (a) Training nonmedical providers on distributing and providing
5 client education and directions for use of opioid overdose reversal
6 medication;

7 (b) Providing written guidance for billing for opioid overdose 8 reversal medication; and

9 (c) Analyzing the cost of additional behavioral health agency 10 staff time to carry out the activities in section 4 of this act, and 11 providing written guidance no later than January 1, 2022, for funding 12 and billing direct service activities related to assisting clients to 13 obtain opioid overdose reversal medication.

14 (2) The authority shall develop written materials in all relevant 15 languages for each hospital and applicable licensed or certified 16 behavioral health agency to comply with sections 3 and 4 of this act, 17 including directions for the use of opioid overdose reversal 18 medication, and provide them to all hospitals and behavioral health 19 agencies by January 1, 2022.

20 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 70.14 21 RCW to read as follows:

(1) As soon as reasonably practicable, the health care authority shall establish a bulk purchasing and distribution program for opioid overdose reversal medication. The health care authority is authorized to:

(a) Purchase or enter into contracts as necessary to purchase and
 distribute opioid overdose reversal medication, collect an
 assessment, and administer the program;

(b) Bill, charge, and receive payment from health carriers,
managed health care systems, and to the extent that any self-insured
health plans choose to participate, self-insured health plans; and

32 (c) Perform any other functions as may be necessary or proper to33 establish and administer the program.

34 (2) To establish and administer the opioid overdose reversal 35 medication bulk purchasing and distribution program, the health care 36 authority may adopt rules providing the following:

37 (a) A dosage-based assessment and formula to determine the38 assessment for each opioid overdose reversal medication provided to

an individual through the program that includes administrative costs
 of the program;

3 (b) The mechanism, requirements, and timeline for health 4 carriers, managed health care systems, and self-insured plans to pay 5 the dosage-based assessments;

6 (c) The types of health care facilities, health care providers, 7 or other entities that are required to or are permitted to 8 participate in the program;

9 (d) The billing procedures for any participating health care 10 facility, health care provider, or other entity participating in the 11 program; and

12 (e) Any other rules necessary to establish, implement, or 13 administer the program.

14 (3) The following agencies, health plans, and insurers must15 participate in the bulk purchasing and distribution program:

16 (a) Health carriers;

17 (b) Managed health care systems administering a medicaid managed 18 care plan; and

19 (c) The health care authority for purposes of:

20 (i) Health plans offered to public employees and their 21 dependents;

(ii) Individuals enrolled in medical assistance under chapter 74.09 RCW that are not enrolled in a managed care plan; and

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(iii) Uninsured individuals.

25 (4) The health care authority may establish an interest charge for late payment of any assessment under this section. The health 26 care authority shall assess a civil penalty against any health 27 carrier, managed health care system, or self-insured health plan that 28 29 fails to pay an assessment within three months of billing. The civil penalty under this subsection is 150 percent of such assessment. The 30 31 health care authority is authorized to file liens and seek judgment 32 to recover amounts in arrears and civil penalties, and recover reasonable collection costs, including reasonable attorneys' fees and 33 costs. Civil penalties so levied must be deposited in the opioid 34 overdose reversal medication account created in section 8 of this 35 36 act.

37 (5) The health care authority in coordination with the office of 38 the insurance commissioner may recommend to the appropriate 39 committees of the legislature the termination of the bulk purchasing 40 and distribution mechanism for opioid overdose reversal medication if

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1 it finds that the original intent of its formation and operation has 2 not been achieved.

3 (6) By January 1, 2022, the health care authority shall submit a 4 report to the legislature on the progress towards establishing the 5 bulk purchasing and distribution program. The health care authority 6 shall submit an updated report on the progress towards establishing 7 the bulk purchasing and distribution program by January 1, 2023.

8 (7) By July 1, 2025, the health care authority shall submit 9 recommendations to the appropriate committees of the legislature on 10 whether and how the opioid overdose reversal medication bulk 11 purchasing and distribution program may be expanded to include other 12 prescription drugs.

13 (8) "Opioid overdose reversal medication" has the same meaning as 14 provided in RCW 69.41.095.

15 <u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 70.14 16 RCW to read as follows:

The opioid overdose reversal medication account is created in the 17 custody of the state treasurer. All receipts from collections under 18 section 7 of this act must be deposited into the account. 19 20 Expenditures from the account may be used only for the operation and administration of the opioid overdose reversal medication bulk 21 purchasing and distribution program identified in section 7 of this 22 act. Only the director of the health care authority or the director's 23 designee may authorize expenditures from the account. The account is 24 25 subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. 26

27 Sec. 9. RCW 39.26.125 and 2012 c 224 s 14 are each amended to 28 read as follows:

All contracts must be entered into pursuant to competitive solicitation, except for:

31 (1) Emergency contracts;

32 (2) Sole source contracts that comply with the provisions of RCW33 39.26.140;

(3) Direct buy purchases, as designated by the director. The director shall establish policies to define criteria for direct buy purchases. These criteria may be adjusted to accommodate special market conditions and to promote market diversity for the benefit of the citizens of the state of Washington;

1 (4) Purchases involving special facilities, services, or market 2 conditions, in which instances of direct negotiation is in the best 3 interest of the state;

4 (5) Purchases from master contracts established by the department 5 or an agency authorized by the department;

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(6) Client services contracts;

7 (7) Other specific contracts or classes or groups of contracts 8 exempted from the competitive solicitation process when the director 9 determines that a competitive solicitation process is not appropriate 10 or cost-effective;

(8) Off-contract purchases of Washington grown food when such 11 12 food is not available from Washington sources through an existing contract. However, Washington grown food purchased under this 13 subsection must be of an equivalent or better quality than similar 14 food available through the contract and must be able to be paid from 15 16 the agency's existing budget. This requirement also applies to 17 purchases and contracts for purchases executed by state agencies, including institutions of higher education as defined in RCW 18 19 28B.10.016, under delegated authority granted in accordance with this chapter or under RCW 28B.10.029; 20

(9) Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;

(10) Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;

(11) Contracts for services that are necessary to the conduct of collaborative research if the use of a specific contractor is mandated by the funding source as a condition of granting funds;

30 (12) Contracts for architectural and engineering services as 31 defined in RCW 39.80.020, which shall be entered into under chapter 32 39.80 RCW;

33 (13) Contracts for the employment of expert witnesses for the 34 purposes of litigation; ((and))

35 (14) Contracts for bank supervision authorized under RCW 36 ((<del>30.38.040</del>)) <u>30A.38.040; and</u>

37 <u>(15) Contracts for the purchase of opioid overdose reversal</u> 38 medication authorized under section 7 of this act.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 41.05
 RCW to read as follows:

A health plan offered to public employees and their covered dependents under this chapter that is issued or renewed on or after January 1, 2023, must participate in the bulk purchasing and distribution program for opioid overdose reversal medication restablished in section 7 of this act once the program is operational.

8 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 48.43 9 RCW to read as follows:

For health plans issued or renewed on or after January 1, 2023, health carriers must participate in the opioid overdose reversal medication bulk purchasing and distribution program established in section 7 of this act once the program is operational. A health plan may not impose enrollee cost sharing related to opioid overdose reversal medication provided through the bulk purchasing and distribution program established in section 7 of this act.

17 <u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 74.09 18 RCW to read as follows:

(1) Upon initiation or renewal of a contract with the authority to administer a medicaid managed care plan, a managed health care system must participate in the opioid overdose reversal medication bulk purchasing and distribution program established in section 7 of this act once the program is operational.

(2) The health care authority must participate in the opioid overdose reversal medication bulk purchasing and distribution program established in section 7 of this act once the program is operational for purposes of individuals enrolled in medical assistance under this chapter that are not enrolled in a managed care plan and are uninsured individuals.

30 <u>NEW SECTION.</u> Sec. 13. (1) The health care authority may adopt 31 rules necessary to implement sections 7 through 12 of this act.

32 (2) The insurance commissioner may adopt rules necessary to33 implement sections 7 and 11 of this act.

1NEW SECTION.Sec. 14.Sections 2 through 4 of this act take2effect January 1, 2022.

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