

HOUSE BILL REPORT

HB 1408

As Reported by House Committee On:

Appropriations

Title: An act relating to creating an account for the pharmaceutical rebate revenue generated by the purchase of medications for people living with HIV who are enrolled in the early intervention program.

Brief Description: Creating an account for the pharmaceutical rebate revenue generated by the purchase of medications for people living with HIV who are enrolled in the early intervention program.

Sponsors: Representatives Doglio, Riccelli, Lekanoff, Macri and Reed; by request of Department of Health.

Brief History:

Committee Activity:

Appropriations: 1/30/23, 2/2/23 [DPS].

Brief Summary of Substitute Bill

- Creates an account for pharmaceutical rebate revenue generated by the purchase of HIV medications.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Hansen, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Lily Smith (786-7175).

Background:

The federal Ryan White HIV/AIDS (Ryan White) Program provides grants to states and other entities to support services for low-income people with HIV. The Department of Health (DOH) receives Ryan White grant funding to operate the Early Intervention Program (EIP). Among other services, the EIP provides payment for certain HIV-related medications.

Purchases of these HIV-related medications generate rebates from pharmaceutical companies, which are deposited into the State General Fund. The DOH requests appropriation authority to spend this rebate revenue on EIP services. The Ryan White Program requires expenditure of these rebate revenues on EIP services before federal funding is used.

Summary of Substitute Bill:

The non-appropriated Medication Rebate Revenue Account (Account) is created in the custody of the State Treasurer. The Account consists of any receipts from pharmaceutical rebates generated by the purchase of medications using federal funds for any person enrolled in the EIP. The expenditures may only be used for services defined in the grant award from the Ryan White Program, and only the Secretary of Health (Secretary) or the Secretary's designee may authorize expenditures from the Account.

Substitute Bill Compared to Original Bill:

The substitute bill creates the Account in the custody of the State Treasurer, rather than in the custody of the State Treasury. It specifies the receipts of which the Account may consist, and that the entity making the deposits is the DOH, rather than the EIP.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This account will benefit people living with HIV, both extending and ensuring

continuity of services. As a federal grant recipient, the state provides a number of services to people living with HIV, but is unable to meet the federal requirement to spend all of this revenue on the EIP. There is a risk of noncompliance with the federal grant, and the approach in this bill is simpler than having the DOH continue to ask for appropriations.

(Opposed) None.

Persons Testifying: Representative Beth Doglio, prime sponsor; and Elizabeth Crutsinger-Perry, Washington State Department of Health.

Persons Signed In To Testify But Not Testifying: None.