

# HOUSE BILL REPORT

## ESSB 5142

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**As Passed House:**

March 22, 2023

**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:** Senate Committee on Ways & Means (originally sponsored by Senators Liias, Rivers, Dhingra, Kauffman, Nobles, Trudeau, Valdez, Wilson, C. and Wilson, J.; by request of Department of Health).

**Brief History:**

**Committee Activity:**

Appropriations: 3/9/23, 3/15/23 [DP].

**Floor Activity:**

Passed House: 3/22/23, 97-0.

**Brief Summary of Engrossed Substitute Bill**

- Creates an account for revenue generated by HIV medications rebates and other related federal grant funds.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 27 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

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*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 appropriations 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 Bill:**

The non-appropriated Medication for People Living with HIV Rebate Revenue Account (Account) is created in the custody of the State Treasury. The EIP must deposit any receipts from pharmaceutical rebates generated by the purchase of medications, and revenue generated from federal grant funds, for any person enrolled in the EIP into the Account. The expenditures may only be used for services defined in the grant award from the Ryan White grant program, and only the Secretary of Health, or the Secretary's designee, may authorize expenditures from the Account.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2023.

**Staff Summary of Public Testimony:**

(In support) Washington receives support from a federal grant to provide a system of care for people living with HIV. This support consists of several different services. Because the grant involved purchases of medications, the DOH can receive rebates from those purchases. Since the rebates go into the State General Fund, the DOH is unable to meet the federal grant requirements to spend all revenue received annually, and needs to ask for an increase in expenditure authority every session.

(Opposed) None.

**Persons Testifying:** Summer Wurst, Washington State Department of Health.

**Persons Signed In To Testify But Not Testifying:** None.