

# SENATE BILL REPORT

## SB 5776

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As of January 11, 2024

**Title:** An act relating to accessing an emergency supply of insulin.

**Brief Description:** Accessing an emergency supply of insulin.

**Sponsors:** Senators Keiser, Cleveland, Randall, Van De Wege, Conway, Dhingra, Kauffman, Hasegawa, Hunt, Kuderer, Lovick, Mullet, Nguyen, Nobles, Salomon, Stanford, Valdez and Wilson, C..

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/11/24.

**Brief Summary of Bill**

- Creates a program for eligible individuals to receive one emergency 30-day supply of insulin within a 12-month period for a maximum cost sharing amount of \$10.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Greg Attanasio (786-7410)

**Background:** In 2020, the Legislature directed health plans, beginning January 1, 2021, to limit an enrollee's out-of-pocket expenses for insulin to \$100 for a 30-day supply until January 1, 2023. In 2022, the Legislature amended the statute to reduce the limit on out-of-pocket expenses for a 30-day supply of insulin to \$35 until January 1, 2024, and in 2023 the Legislature removed the expiration date for the \$35 limit. Also in 2023, the federal government limited out-of-pocket expenses for a 30-day supply of insulin to \$35 for Medicare enrollees.

**Summary of Bill:** Beginning in 2025, individuals who meet the eligibility requirements may receive one emergency 30-day supply of insulin within a 12-month period with a

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maximum cost-sharing amount of \$10. To be eligible, and individual must:

- be a resident of Washington;
- not be enrolled in Medicaid;
- not be enrolled in prescription drug coverage that limits out-of-pocket expenses for a 30-day supply of insulin to \$35 or less;
- have a valid prescription for insulin; and
- have less than a seven day supply.

The Health Care Authority (HCA) must develop an application for individuals to demonstrate their eligibility and make that application available to pharmacies and providers. Upon receipt of a completed application, a pharmacy must dispense the insulin. The pharmacy may collect a fee of up to \$10 to cover the pharmacy's cost of processing and dispensing the insulin.

Each manufacturer of insulin sold in Washington must develop a process for a pharmacy to submit an electronic claim for reimbursement for the dispensed insulin. After a pharmacy submits the claim, a manufacturer, within 30 days, must reimburse the pharmacy or send the pharmacy a replacement supply of the same insulin dispensed by the pharmacy.

HCA may assess a fine of up to \$10,000 for each failure of a manufacturer to comply with the reimbursement requirements of this act.

**Appropriation:** None.

**Fiscal Note:** Requested on January 3, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill takes effect on January 1, 2025.

**Staff Summary of Public Testimony:** PRO: This bill will provide a safety net when something unexpected happens. No one should have to ration insulin. This bill establishes a reliable source of insulin in an emergency.

CON: The Minnesota program that this bill is modeled after is being challenged in court because manufacturers are required to provide insulin without compensation. The net price of insulin has decreased but patients do not see the benefit. Manufacturers provide patient assistance programs to help with affordability.

OTHER: The goal of the bill is a good one, but the Colorado model is preferred because it takes pharmacies out of the process.

**Persons Testifying:** PRO: Senator Karen Keiser, Prime Sponsor; Carissa Kemp, American Diabetes Association; Jennifer Perkins; Jennifer Arnold; Matthew Hepner, East Wenatchee

city council.

CON: Brian Warren, Biotechnology Innovation Organization; Emily Wittman, Association of Washington Business; Dharia McGrew, Pharmaceutical Research and Manufacturers of America.

OTHER: Donna Sullivan, Health Care Authority (HCA); Mark Johnson, Washington Retail Association.

**Persons Signed In To Testify But Not Testifying:** No one.