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**HOUSE BILL 1725**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Maycumber, Riccelli, Fosse, Doglio, Tharinger, Stonier, Barnard, Hutchins, Graham, Mosbrucker, Christian, Reeves, Walen, Gregerson, Ormsby, Reed, Schmidt, Pollet, Cheney, Shavers, Macri, and Leavitt

Read first time 02/02/23. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to increased access to insulin for individuals  
2 under the age of 21; reenacting and amending RCW 39.26.125; adding  
3 new sections to chapter 70.14 RCW; adding a new section to chapter  
4 41.05 RCW; adding a new section to chapter 48.43 RCW; adding a new  
5 section to chapter 74.09 RCW; creating a new section; and prescribing  
6 penalties.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.14  
9 RCW to read as follows:

10 (1) As soon as is reasonably practicable, the health care  
11 authority shall establish the insulin for individuals under the age  
12 of 21 bulk purchasing and distribution program. The health care  
13 authority is authorized to:

14 (a) Purchase or enter into contracts as necessary to purchase and  
15 distribute insulin, collect an assessment, and administer the  
16 program;

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

20 (c) Perform any other functions as may be necessary or proper to  
21 establish and administer the program.

1 (2) To establish and administer the insulin for individuals under  
2 the age of 21 bulk purchasing and distribution program, the health  
3 care authority may adopt rules providing the following:

4 (a) A dosage-based assessment and formula to determine the  
5 assessment for insulin provided to an individual through the program  
6 that includes administrative costs of the program;

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

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

13 (d) The billing procedures for any participating health care  
14 facility, health care provider, or other entity participating in the  
15 program; and

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

18 (3) The following agencies, health plans, and insurers shall  
19 participate in the insulin for individuals under the age of 21 bulk  
20 purchasing and distribution program:

21 (a) Health carriers;

22 (b) Managed health care systems administering a medicaid managed  
23 care plan; and

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

25 (i) Health plans offered to public employees and their  
26 dependents;

27 (ii) Individuals enrolled in medical assistance under chapter  
28 74.09 RCW that are not enrolled in a managed care plan; and

29 (iii) Uninsured individuals.

30 (4) The health care authority may establish an interest charge  
31 for late payment of any assessment under this section. The health  
32 care authority shall assess a civil penalty against any health  
33 carrier, managed health care system, or self-insured health plan that  
34 fails to pay an assessment within three months of billing. The civil  
35 penalty under this subsection is 150 percent of such assessment. The  
36 health care authority is authorized to file liens and seek judgment  
37 to recover amounts in arrears and civil penalties, and recover  
38 reasonable collection costs, including reasonable attorneys' fees and  
39 costs. Civil penalties so levied must be deposited in the insulin  
40 account created in section 2 of this act.

1 (5) The health care authority in coordination with the office of  
2 the insurance commissioner may recommend to the appropriate  
3 committees of the legislature the termination of the insulin for  
4 individuals under the age of 21 bulk purchasing and distribution  
5 program if it finds that the original intent of its formation and  
6 operation has not been achieved.

7 (6) By January 1, 2024, the health care authority shall submit a  
8 report to the legislature on the progress towards establishing the  
9 insulin for individuals under the age of 21 bulk purchasing and  
10 distribution program. The health care authority shall submit an  
11 updated report on the progress towards establishing the insulin for  
12 individuals under the age of 21 bulk purchasing and distribution  
13 program by January 1, 2025.

14 (7) By July 1, 2026, the health care authority shall submit  
15 recommendations to the appropriate committees of the legislature on  
16 whether and how the insulin for individuals under the age of 21 bulk  
17 purchasing and distribution program may be expanded to include other  
18 prescription drugs.

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

21 The insulin account is created in the custody of the state  
22 treasurer. All receipts from collections under section 1 of this act  
23 must be deposited into the account. Expenditures from the account may  
24 be used only for the operation and administration of the insulin for  
25 individuals under the age of 21 bulk purchasing and distribution  
26 program identified in section 1 of this act. Only the director of the  
27 health care authority or the director's designee may authorize  
28 expenditures from the account. The account is subject to allotment  
29 procedures under chapter 43.88 RCW, but an appropriation is not  
30 required for expenditures.

31 **Sec. 3.** RCW 39.26.125 and 2021 c 318 s 313 and 2021 c 273 s 9  
32 are each reenacted and amended to read as follows:

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

- 35 (1) Emergency contracts;  
36 (2) Sole source contracts that comply with the provisions of RCW  
37 39.26.140;

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

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

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

11 (6) Client services contracts;

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

16 (8) Off-contract purchases of Washington grown food when such  
17 food is not available from Washington sources through an existing  
18 contract. However, Washington grown food purchased under this  
19 subsection must be of an equivalent or better quality than similar  
20 food available through the contract and must be able to be paid from  
21 the agency's existing budget. This requirement also applies to  
22 purchases and contracts for purchases executed by state agencies,  
23 including institutions of higher education as defined in RCW  
24 28B.10.016, under delegated authority granted in accordance with this  
25 chapter or under RCW 28B.10.029;

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

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

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

35 (12) Contracts for architectural and engineering services as  
36 defined in RCW 39.80.020, which shall be entered into under chapter  
37 39.80 RCW;

38 (13) Contracts for the employment of expert witnesses for the  
39 purposes of litigation;

1 (14) Contracts for bank supervision authorized under RCW  
2 30A.38.040;

3 (15) Contracts for the purchase of opioid overdose reversal  
4 medication authorized under RCW 70.14.170; (~~and~~)

5 (16) Contracts for investigators awarded by the office of  
6 independent investigations as authorized under RCW 43.102.050; and

7 (17) Contracts for the purchase of insulin for individuals under  
8 the age of 21 authorized under section 1 of this act.

9 NEW SECTION. Sec. 4. A new section is added to chapter 41.05  
10 RCW to read as follows:

11 A health plan offered to public employees and their covered  
12 dependents under this chapter that is issued or renewed on or after  
13 January 1, 2024, shall participate in the insulin for individuals  
14 under the age of 21 bulk purchasing and distribution program  
15 established in section 1 of this act once the program is operational.

16 NEW SECTION. Sec. 5. A new section is added to chapter 48.43  
17 RCW to read as follows:

18 For health plans issued or renewed on or after January 1, 2024,  
19 health carriers shall participate in the insulin for individuals  
20 under the age of 21 bulk purchasing and distribution program  
21 established in section 1 of this act once the program is operational.

22 NEW SECTION. Sec. 6. A new section is added to chapter 74.09  
23 RCW to read as follows:

24 (1) Upon initiation or renewal of a contract with the authority  
25 to administer a medicaid managed care plan, a managed health care  
26 system shall participate in the insulin for individuals under the age  
27 of 21 bulk purchasing and distribution program established in section  
28 1 of this act once the program is operational.

29 (2) The authority shall participate in the insulin for  
30 individuals under the age of 21 bulk purchasing and distribution  
31 program established in section 1 of this act once the program is  
32 operational for purposes of individuals enrolled in medical  
33 assistance under this chapter that are not enrolled in a managed care  
34 plan and are uninsured individuals.

35 NEW SECTION. Sec. 7. (1) The health care authority may adopt  
36 rules necessary to implement this act.

1           (2) The insurance commissioner may adopt rules necessary to  
2 implement sections 1 and 5 of this act.

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