SENATE BILL REPORT
SB 5326

As of January 27, 2025

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

Brief Description: Accessing an emergency supply of insulin.

Sponsors: Senators Cleveland, Muzzall, Chapman, Hasegawa, Krishnadasan, Nobles, Trudeau and Valdez.

Brief History:
Committee Activity: Health & Long-Term Care: 1/30/25.

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.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Greg Attanasio (786-7410)

Background: <u>Drug Consortium.</u> In 2003, the Legislature instructed the Health Care Authority (HCA) to come up with a way for state agencies that purchase prescription drugs to control costs without reducing the quality of care when reimbursing for, or purchasing, drugs. This became the Washington Prescription Drug Program (WPDP).

In 2005, the Legislature expanded WPDP's mission by authorizing it to adopt policies necessary to establish a prescription drug purchasing consortium (consortium). In 2006, Washington and Oregon established the Northwest Prescription Drug Consortium, which allowed Washington and Oregon to coordinate their programs and resources and pool their drug purchasing power to lower costs, negotiate discounts with manufacturers, centralize the purchasing of prescription drugs and establish volume discount contracting. In 2021, the

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Northwest Prescription Drug Consortium changed its name to ArrayRx.

Out-of-Pocket Expenses for Insulin. 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: The HCA shall establish an emergency insulin program under the consortium to allow eligible individuals to access one emergency 30-day supply of insulin within a 12- month period for a maximum out-of-pocket cost of $10 beginning in 2026.

To be eligible, an 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.

HCA must establish a process to allow individuals to attest to their eligibility. Upon attestation, the consortium must provide the individual a voucher to receive insulin from a pharmacy in the consortium's network. The pharmacy may charge up to a $10 fee to cover the costs of dispensing the insulin. The pharmacy may submit a claim for reimbursement for the dispensed insulin to the consortium and the consortium must reimburse the pharmacy within 30 days. At least quarterly, the consortium must invoice insulin manufacturers for the cost of the dispensed insulin and the manufacturers must remit payment to the consortium within 30 days.

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.

HCA must publicize manufacturer patient assistance programs for insulin alongside the emergency insulin program.

Appropriation: None.

Fiscal Note: Requested on January 16, 2025.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.