SENATE BILL REPORT
SB 5594

As Reported by Senate Committee On:
Health & Long-Term Care, February 18, 2025

Title: An act relating to reducing prescription drug costs by eliminating barriers impeding access to biosimilar medicines.

Brief Description: Concerning biosimilar medicines.

Sponsors: Senators Harris, Cleveland, Hasegawa and Shewmake.

Brief History:
Committee Activity: Health & Long-Term Care: 2/11/25, 2/18/25 [DPS].

Brief Summary of First Substitute Bill

- Permits or requires health plans and pharmacies to substitute a biosimilar for a reference biologic product under certain circumstances.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5594 be substituted therefor, and the substitute bill do pass.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Christian, Harris, Holy, Riccelli, Robinson and Slatter.

Staff: Greg Attanasio (786-7410)

Background: When a prescription drug is restricted through the use of a utilization management protocol, the patient and prescribing practitioner must have clear and convenient access on the health carrier's or prescription drug utilization management entity's website to request an exception and, the exception approval criteria must be clearly posted. Carriers must disclose all rules related to the prescription drug utilization management process to all participating providers, including the information and documentation that

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must be completed for a request to be complete.

A carrier or review organization may require a patient to try an AB-rated generic equivalent or a biological product that is an interchangeable biological product before providing coverage for the equivalent branded drug.

Qualified health plans offered on the Health Benefit Exchange must comply with any requirements established by the Health Care Authority to address the amount expended on pharmacy benefits including, but not limited to, increasing generic utilization and use of evidence-based formularies.

Every drug prescription shall contain an instruction on whether or not a therapeutically equivalent generic drug or interchangeable biological product may be substituted in its place, unless substitution is permitted under a prior-consent authorization.

A biosimilar is a biological product that is highly similar to the reference product notwithstanding minor differences in clinically inactive components, and there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity, and potency of the product.

Summary of Bill (First Substitute): Beginning January 1, 2026, a carrier or review organization may require a patient to try a biosimilar before providing coverage for the equivalent branded prescription drug.

Qualified health plans offered on the Health Benefit Exchange must comply with any requirements established by the Health Care Authority to address the amount expended on pharmacy benefits including, but not limited to, increasing generic or biosimilar utilization and use of evidence-based formularies.

Unless a prescriber indicates that prescription must be dispensed as written, a pharmacist filling a prescription order for a drug product prescribed by its trade or brand name may select another drug product with the same active chemical ingredients of the same strength, quantity, and dosage form, and of the same generic drug name as determined by the United States Adopted Names Council and accepted by the federal Food and Drug Administration, of those drug products having the same active chemical ingredients, or interchangeable biological product. There shall be no liability on the prescribing provider for an act or omission by a pharmacist in selecting, preparing, or dispensing a drug product under this act. The use of the cost-saving drug product dispensed shall be communicated to the patient and the name of the dispensed drug or biological product shall be indicated on the prescription label, except where the practitioner orders otherwise.

Unless the prescribed biological product is requested by the patient or the patient's representative, or the prescribing provider has indicated "do not substitute," or words of similar meaning, the pharmacist must substitute an in stock biosimilar or interchangeable

biological product if the wholesale price for the biosimilar or interchangeable biological product to the pharmacist is less than the wholesale price for the prescribed biological product.

EFFECT OF CHANGES MADE BY HEALTH & LONG-TERM CARE COMMITTEE (First Substitute):

- Clarifies that beginning January 1, 2026, carriers may require a patient to try a biosimilar before providing coverage for the brand name.
- Allows a pharmacist to substitute a brand name drug with one that has the same active chemical ingredients of the same strength, quantity, and dosage form, and has the same generic drug name, or an interchangeable biological product, unless the prescriber indicates that the prescription should be dispensed as written.

Appropriation: None.

Fiscal Note: Requested on February 5, 2025.

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

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: A large portion of premiums go toward drug costs and this bill is one way to control those costs. Biosimilars are FDA approved drugs. Forty-seven other states allow for a form of substitution that would be allowed by this bill. Biosimilars are often 40 percent less expensive than the brand name.

CON: Pharmacists can already substitute interchangeable biologics. This bill would allow substitution for drugs that have not been designated as interchangeable. This puts patient safety at risk.

Persons Testifying: PRO: Senator Paul Harris, Prime Sponsor; Kevin Wren, Washington #insulin4all; Jennifer Ziegler, Association of Washington Health Care Plans; Dr. Gurpreet Rawat, Kaiser Permanente.

CON: Brian Warren, BIO (Biotechnology Innovation Organization).

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