
SENATE BILL 6660

State of Washington

56th Legislature

2000 Regular Session

By Senators Deccio, Thibaudeau, Gardner, Patterson, Winsley, Prentice, Costa and Kohl-Welles

Read first time 01/21/2000. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to assisting eligible persons to pay for
2 prescription drugs; and adding a new chapter to Title 74 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Department" means the department of social and health
7 services.

8 (2) "Eligible person" means a person eligible for the Washington
9 prescription drug payment assistance program, created under section 2
10 of this act.

11 (3) "Prescription drugs" means drugs and supplies that have been
12 approved as safe and effective by the federal food and drug
13 administration or are otherwise legally marketed in the United States,
14 including items related to diabetes management, if not covered by
15 medicare, that a lawful prescriber has deemed medically necessary for
16 either the diagnosis, or treatment, or both, of the patient.
17 "Prescription drugs" do not include experimental drugs and drugs used
18 for lifestyle modification, but may include cost-effective over-the-
19 counter pharmaceutical products if prescribed by a health care provider

1 as an alternative to more costly drugs. Prescription drugs covered
2 under this chapter are limited by and subject to section 3 of this act,
3 and the rules adopted under that section.

4 (4) "Program" means the Washington prescription drug payment
5 assistance program.

6 NEW SECTION. **Sec. 2.** To be eligible for assistance under the
7 program, a person must:

8 (1) Be a United States citizen or lawfully admitted alien;

9 (2) Have an annual household income that is less than two hundred
10 percent of the federal poverty level or have prescription drug expenses
11 that exceed forty percent of his or her annual household income;

12 (3) Be a resident of the state of Washington;

13 (4) Be ineligible for medicaid prescription benefits;

14 (5) Be either ineligible for, or not receiving, or both, a
15 prescription drug benefit under a medicare supplemental policy or any
16 other third-party payer prescription benefit; and

17 (6) Be at least sixty-five years old or be an individual between
18 the ages of nineteen and sixty-four who is otherwise eligible for
19 benefits under Title II of the social security act (federal old age,
20 survivors, and disability insurance benefits).

21 NEW SECTION. **Sec. 3.** (1) The program shall be administered by the
22 department. The department shall adopt rules necessary to implement
23 the program in a cost-effective manner and to ensure that the program
24 is the payer of last resort for prescription drugs. The rules shall
25 include the following:

26 (a) Payment assistance shall not exceed two thousand five hundred
27 dollars per calendar year to assist each eligible person in the
28 purchase of prescription drugs;

29 (b) Prescription drugs covered under the program are restricted to
30 those manufactured by pharmaceutical companies that agree to provide
31 manufacturer rebates. The department shall establish the state rebate
32 program to collect rebates to offset the cost of the program;

33 (c) A copayment requirement which shall not exceed twenty-five
34 percent of the acquisition cost, but shall be no less than five
35 dollars. Copayment amounts may vary to promote the purchase of generic
36 or therapeutic substitutes by eligible persons in the program;

1 (d) The department shall provide a clear, written explanation
2 defining the scope of the program's coverage, the amount of the cost-
3 sharing requirements, and any limitations on access to covered
4 prescription drugs. The department shall provide notice at least
5 forty-five days prior to any dollar cap being reached. The department
6 will also notify persons of the process to appeal a decision denying
7 reimbursement for prescription drugs or denying a person's eligibility
8 for the program. Services shall begin on the first day of the month,
9 following the month that eligibility is determined. Eligible
10 individuals will receive an identification card for the program;

11 (e) No drug prescription may exceed one hundred dosing units, or a
12 thirty-four day supply;

13 (f) No system of administration shall make a direct cash payment to
14 any eligible person; and

15 (g) The department shall require a mandatory point-of-sale claims
16 submission within fourteen days unless extenuating circumstances, as
17 defined by the department, exist.

18 (2) The department may adopt rules consistent with the following:

19 (a) Limiting application to the program to a specific
20 open-enrollment period, with coverage effective as of the date the
21 application is approved;

22 (b) Imposing an annual enrollment fee in an amount not to exceed
23 twenty dollars to be paid by all eligible persons in the program to
24 defray administrative expenses. Payment of the fee shall be credited
25 to a special account to be designated as the prescription assistance
26 account, created in section 5 of this act. For each fiscal year, the
27 maximum unencumbered balance that remains in the prescription
28 assistance account at the end of any fiscal year shall be no more than
29 the administrative cost of the program in the subsequent fiscal year;

30 (c) Determining income eligibility of a person by any reasonable
31 means, including but not limited to a review of the person's most
32 recent federal and state income tax returns and copies of income
33 checks. Residency and age/disability eligibility may be verified by
34 submission of those documents the department deems reasonable; and

35 (d) Any other rules deemed necessary to implement the program.

36 NEW SECTION. **Sec. 4.** The department shall maintain data to
37 evaluate the cost and effectiveness of the program and shall produce an
38 annual report to the legislature summarizing participant demographics,

1 utilization, utilization review results, and other available
2 information as may be needed to evaluate the costs and benefits of the
3 program.

4 NEW SECTION. **Sec. 5.** The prescription assistance account is
5 created in the state treasury. All receipts from fees received under
6 section 3(2)(b) of this act must be deposited into the account. Moneys
7 in the account may be spent only after appropriation. Expenditures
8 from the account may be used only for the administrative costs of the
9 program.

10 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
11 a new chapter in Title 74 RCW.

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