

# HOUSE BILL REPORT

## HB 1652

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### As Reported by House Committee On:

Health Care

**Title:** An act relating to development of a therapeutic and cost-effective prescription drug education and utilization system.

**Brief Description:** Developing a therapeutic and cost-effective drug education and utilization system.

**Sponsors:** Representatives Cody, Campbell, Edmonds and Edwards.

### Brief History:

#### Committee Activity:

Health Care: 2/9/01, 2/20/01 [DPS].

#### Brief Summary of Substitute Bill

- Directs the Health Care Authority to establish a drug education and utilization system including a state drug formulary for state purchased health care.
- Establishes at least two pilot disease management programs for persons receiving their health care coverage through state-purchased health care.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Ballasiotes, Conway, Darneille, Edmonds, Edwards and Ruderman.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Schual-Berke, Democratic Vice Chair; Alexander, Marine, McMorris and Pennington.

**Staff:** Dave Knutson (786-7146).

### Background:

Many consumers, health care providers, and health care purchasers do not have all the

information they need to make appropriate choices on the most therapeutic and cost-effective use of prescription drugs. Some specific diseases lend themselves to a coordinated disease management approach. It may be possible to improve patient outcomes and contain health care costs through the use of a disease management program that includes physicians, pharmacists, and other appropriate health care providers.

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**Summary of Substitute Bill:**

The Health Care Authority will establish a prescription drug education and utilization system to promote therapeutic and cost-effective utilization of prescription drugs by residents of Washington. It will include a state formulary of prescription drugs for state purchased health care. Another component will be an education effort for physicians, other prescribers, and consumers on the therapeutic and cost-effective utilization of prescription drugs. It will also generate recommendations for continuing medical education requirements of individuals authorized to prescribe prescription drugs. Finally, it will include a drug utilization review and drug utilization management program to improve the quality of pharmaceutical care through appropriate and medically necessary prescriptions provided through state-purchased health care.

The Health Care Authority will develop at least two pilot disease management programs for individuals receiving state-purchased health care services. The Health Care Authority will determine which disease groups are appropriate for disease management.

**Substitute Bill Compared to Original Bill:**

The uniform formulary for state-purchased health care will be developed by a pharmacy and therapeutics committee. The formulary will provide an exception process to allow access to non-formulary drugs. Proprietary and nonpublished data used in developing the formulary will be exempt from the Open Public Meetings Act. The requirement that DSHS develop disease management projects is deleted. Any savings achieved by Public Employees Benefits Board health programs as a result of this act will be deposited in the public employees' and retirees' insurance account.

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**Appropriation:** The sum of \$100,000 to the Health Care Authority for their responsibilities under this Act.

**Fiscal Note:** Not Requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 1, 2001.

**Testimony For:** Better management and utilization of prescription drugs should result in

cost savings to the state-purchased health care programs. Disease management has the potential to improve health outcomes and reduce costs.

**Testimony Against:** A uniform formulary may exclude many drugs that are needed to effectively treat diseases.

**Testified:** (In support) Nick Federici, American Lung Association; Michael Shaw, American Heart Association; Dr. Art Zoloff, Northwest Pharmacy Service; and Nick Canaday, Puget Sound Senior Citizens.

(With concerns) Jeannie Humphrey, Puget Sound Council of Senior Citizens; Faith Homan, Washington Citizen Action; Geg Devereaux, Washington Federation of State Employees; and Don Sloma, State Board of Health.

(Against) Lynn McKinnon, Washington Public Employees Association.

(Con section 1) Cliff Webster, Pharmaceutical Research and Manufacturers of America.

(No position) Susie Tracy, Washington State Medical Association.