

HOUSE BILL REPORT

ESSB 6368

As Reported by House Committee On:

Health Care

Title: An act relating to development of a prescription drug education and utilization system.

Brief Description: Developing a comprehensive prescription drug education and utilization system.

Sponsors: Senate Committee on Health & Long-Term Care (originally sponsored by Senators Thibaudeau, Deccio and Winsley).

Brief History:

Committee Activity:

Health Care: 2/26/02, 2/28/02 [DPA].

Brief Summary of Engrossed Substitute Bill (As Amended by House Committee)

- Directs the Health Care Authority to establish a drug education and utilization system including a state preferred drug list for use by state agencies that purchase or provide health care.
- Establishes at least two pilot disease management programs for persons receiving their health care coverage through state-purchased health care.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass as amended. Signed by 7 members: Representatives Cody, Chair; Schual-Berke, Vice Chair; Campbell, Ranking Minority Member; Conway, Darneille, Edwards and Ruderman.

Minority Report: Do not pass. Signed by 4 members: Representatives Alexander, Ballasiotes, Benson and Skinner.

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.

Summary of Amended Bill:

The Health Care Authority, in concert with other state agencies that purchase prescription drugs, will establish a prescription drug education and utilization system to promote the therapeutic and cost-effective utilization of prescription drugs by health providers and residents of Washington. It will include a preferred drug list for state purchased health care. The preferred drug list will be developed using an objective process to determine which drugs within therapeutic classes are essentially equal in terms of safety and efficacy. The objective review of drugs will be conducted by a contracted third party and will be submitted to a pharmacy and therapeutics committee which will recommend which drugs should be placed on the state preferred drug list to the administrator of the Health Care Authority. The administrator of the Health Care Authority will develop the preferred drug list and each state agency that purchases or provides health care will use it. If a health care provider with prescriptive authority agrees to use the preferred drug list, there would be limited circumstances under which a state agency could use a prior authorization process for drugs listed on the preferred drug list. If a prescriber declines to endorse the preferred drug list, state agencies are authorized to utilize a broader scope of prior authorization actions. The administrator of the Health Care Authority is required to provide an opportunity for private entities, units of local government, and individuals who lack prescription drug coverage to participate in the purchasing cooperative created as a result of the preferred drug list. The opportunity must be provided within one year of the adoption of the preferred drug list. Another component of the program will be an education effort for physicians, other prescribers, and consumers on the therapeutic and cost-effective utilization of prescription drugs. It will also include a drug utilization review program to improve the quality of pharmaceutical care through appropriate and medically necessary prescriptions provided through state-purchased health care.

The Health Care Authority, in concert with other state agencies that purchase health care, will develop at least two 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.

Amended Bill Compared to Engrossed Substitute Bill:

The circumstance where prior authorization is allowed on new drugs that have received Food and Drug Administration approval is limited to safety concerns involving the

patient. The definition of therapeutic class is modified to use a nationally recognized listing of therapeutic classes of drugs. The effectiveness of drugs on women and racial and ethnic minorities will be considered in developing the preferred drug list. The Health Care Authority may solicit and accept grants and other funds for disease management, education, and other activities included in the act. A null and void clause is added.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void unless funded in the budget.

Testimony For: This bill is needed to allow the state to negotiate lower drug prices with drug manufacturers. It will reduce burdensome paperwork for prescribers and pharmacists. It will ensure state clients and employees will receive the right drug at a reasonable price.

Testimony Against: This bill will negatively impact racial and ethnic minorities. Low income people will be forced to accept the cheapest drug. Local biotech firms will be negatively impacted because investors will be nervous about investing in biotech firms located in Washington.

Testified: (In support) Senator Thibaudeau, prime sponsor; Senator Deccio, secondary sponsor; Tony Lee, Asian Pacific Islander Coalition of King County; Nick Federici, American Lung Association and AARP; Sheryl Belcher, American Cancer Society; Eleanor Owen, Citizens Guild of Western State Hospital and Mental Health Association of Washington; Carol Hannom, Older Women's League; Dr. Maureen Callaghan, Washington State Medical Association; Robbie Stern, Washington State Labor Council; and Ree Sailors, Governor's office.

(Oppose) Eddie Rye, Jr., National Black Chamber of Commerce; Paul Clark, ICOS Corporation; and Tom Ranken, Biotech Association and VizXLabs.