

Health Care Committee

HB 1703

Brief Description: *Creating the prescription drug fair pricing act.*

Sponsors: *Representatives Conway, Darneille, Keiser, Cooper, Romero, Tokuda, Veloria and Fisher.*

Brief Summary of Bill

- *The Department of General Administration will create a prescription drug price program to lower prescription drugs for uninsured and underinsured residents of the state.*

Hearing Date: *2/13/01*

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

Background:

Approximately 25 percent of the state population has no access or limited access to prescription drug assistance. If they have to pay full retail price at a pharmacy, their costs are significantly higher than an individual whose prescription drugs are covered by a public or private insurance plan.

Summary of Bill:

The Department of General Administration will establish a prescription drug price program. The department will negotiate rebates with drug manufacturers or labelers. All residents of the state are eligible to participate in the program. The department will establish discounted prices for drugs covered by a rebate agreement and will promote the use of efficacious and reduced-cost drugs for program participants. Beginning on July 1, 2001, retail pharmacies will offer prescription drugs at or below the average wholesale price minus 6 percent, plus a dispensing fee. After January 1, 2002, retail pharmacies will offer prescription drugs at or below the price levels set in July, 2001 minus the amount of any rebate paid by the state to the pharmacy.

A prescription drug price account is established in the state treasury. Receipts from revenue paid by manufacturers who pay rebates will be deposited in the account. Expenditures from the account will be used to reimburse pharmacies and offset the costs of the department administering the program.

Appropriation: *None.*

Fiscal Note: *Requested on February 12, 2001.*

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