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## Health Care Committee

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### HB 2431

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

**Sponsors:** Representatives Cody, Campbell, Sommers, Schual-Berke, Fromhold, Hunt, Doumit, McIntire, Lysen, Hatfield, Conway, Veloria, Chase, Ogden, Upthegrove, Romero, Santos, Kagi, Haigh, Wood, Kenney and Simpson.

#### Brief Summary of Bill

- 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.

**Hearing Date:** 1/22/02

**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 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 broad 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 or are underinsured for prescriptions 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 between two and five 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.

**Appropriation:** None.

**Fiscal Note:** Requested.

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