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HOUSE BILL 1652

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Cody, Campbell, Edmonds and Edwards

Read first time 01/31/2001. Referred to Committee on Health Care.

1 AN ACT Relating to development of a therapeutic and cost-  
2 effective prescription drug education and utilization system;  
3 adding new sections to chapter 41.05 RCW; adding a new section to  
4 chapter 74.09 RCW; creating a new section; making an  
5 appropriation; providing an effective date; and declaring an  
6 emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05  
9 RCW to read as follows:

10 (1) The administrator shall develop, in consultation with state  
11 and local agencies and private parties, a therapeutic and cost-  
12 effective prescription drug education and utilization system  
13 designed to promote therapeutic and cost-effective utilization of  
14 prescription drugs by residents of the state of Washington.

15 (2) In developing the system, the administrator shall request  
16 the participation of the department of social and health services,  
17 the department of health, the department of corrections, the  
18 department of labor and industries, the office of the insurance

1 commissioner, physicians, advanced registered nurse practitioners,  
2 hospitals, pharmacists, the board of pharmacy, and any other  
3 appropriate licensing boards, consumer representatives, health  
4 plans as defined in RCW 48.43.005, pharmacy benefits management  
5 companies, self-insured employer sponsored health benefits plans,  
6 and any other interested party.

7 (3) The administrator is authorized to solicit, accept, and  
8 spend public and private grants, contributions, and other funds to  
9 match public funds appropriated to carry out the purposes of this  
10 section.

11 (4) The system must include, but is not limited to:

12 (a) The development of a uniform formulary of prescription  
13 drugs for state purchased health care, except care purchased or  
14 reimbursed by the medicaid program under Title XIX of the federal  
15 social security act and local school districts not enrolled in the  
16 public employees' benefits board system. The formulary developed by  
17 the administrator under this subsection must be based upon careful  
18 consideration and pharmacoeconomic analysis of the clinical  
19 efficacy and cost of prescription drugs that have been approved by  
20 the federal food and drug administration. It must contain standards  
21 and procedures for consumer access to medically necessary  
22 alternatives to the formulary, and for consumer choice of higher  
23 cost alternatives to the formulary where a state purchased health  
24 care program has the ability to charge higher cost-sharing amounts  
25 for nonformulary prescription drugs. Any other public or private  
26 entity may choose to adopt the formulary developed under this  
27 subsection;

28 (b) A program of academic detailing and consumer counter-  
29 detailing that educates physicians and other prescribers and  
30 consumers on the therapeutic and cost-effective utilization of  
31 prescription drugs. In developing this program, the administrator  
32 shall first assess current private and public sector academic  
33 detailing and consumer counter-detailing activities in Washington  
34 state. The program developed under this subsection should be  
35 designed to complement, coordinate, and strengthen these existing  
36 activities;

37 (c) Recommendations for continuing medical education

1 opportunities and requirements for physicians and other health  
2 care professionals who prescribe, dispense, or administer  
3 prescription drugs;

4 (d) A program for drug utilization review and drug utilization  
5 management, including prospective, concurrent, and retrospective  
6 review, to improve the quality of pharmaceutical care by ensuring  
7 that prescriptions provided through state-purchased health care  
8 programs are appropriate, medically necessary, and not likely to  
9 produce adverse medical results; and

10 (e) Any other program or activity designed to ensure optimal  
11 therapeutic and cost-effective utilization of prescription drugs  
12 by consumers.

13 NEW SECTION. **Sec. 2.** By January 1, 2002, the administrator of  
14 the health care authority shall submit to the governor and the  
15 legislature a progress report regarding the implementation of the  
16 therapeutic and cost-effective prescription drug education and  
17 utilization system.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05  
19 RCW to read as follows:

20 The administrator shall design and implement at least two, but  
21 no more than five, pilot disease management programs for persons  
22 enrolled in the public employees' benefits board uniform medical  
23 plan. The programs shall begin operation on or before July 1, 2002.

24 (1) The administrator shall determine the disease groups most  
25 appropriate for disease management after reviewing claims and cost  
26 information for uniform medical plan enrollees and reviewing  
27 national research on the effectiveness of disease management  
28 programs.

29 (2) Each pilot disease management program must include  
30 physicians, pharmacists, and other appropriate health care  
31 providers in the design and implementation of the program. The  
32 programs also must incorporate an evaluation component that will  
33 allow the administrator to identify successful programs that are  
34 candidates for statewide expansion. The evaluation should consider  
35 the impact of the disease management program upon the health

1 status of participating uniform medical plan enrollees, the use of  
2 health services by these enrollees, and the overall costs of  
3 treating these enrollees.

4 (3) In designing and implementing the pilot disease management  
5 programs, the administrator shall coordinate with the department  
6 of social and health services' efforts under section 4 of this  
7 act.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 74.09  
9 RCW to read as follows:

10 The department shall design and implement at least two, but no  
11 more than five, pilot disease management programs for aged or  
12 disabled persons enrolled in the medical assistance program. The  
13 programs shall begin operation on or before July 1, 2002.

14 (1) The following disease groups must be targeted for disease  
15 management programs: Asthma, diabetes, heart failure, malignancies,  
16 obesity, hemophilia, renal disease, transplants, intervertebral  
17 disc disorders, and populations at highest risk of improper use of  
18 medication.

19 (2) Each pilot disease management program must include  
20 physicians, pharmacists, and other appropriate health care  
21 providers in the design and implementation of the program. The  
22 programs also must incorporate an evaluation component that will  
23 allow the department to identify successful programs that are  
24 candidates for statewide expansion. The evaluation should consider  
25 the impact of the disease management program upon the health  
26 status of the medicaid enrollee, the use of health services by the  
27 enrollee, and the overall costs of treating the enrollee.

28 (3) In designing and implementing the pilot disease management  
29 programs, the department shall coordinate with the health care  
30 authority's efforts under section 3 of this act.

31 NEW SECTION. **Sec. 5.** The sum of one hundred thousand dollars,  
32 or as much thereof as may be necessary, is appropriated for the  
33 biennium ending June 30, 2003, from the health services account to  
34 the health care authority for the purposes of sections 1 and 2 of  
35 this act.

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1        NEW SECTION.    **Sec. 6.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of  
3    the state government and its existing public institutions, and  
4    takes effect July 1, 2001.

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