

E2SHB 1214 - S COMM AMD

By Committee on Health & Long-Term Care

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that prescription
4 drugs are an effective and important part of efforts to maintain and
5 improve the health of Washington state residents. However, their
6 increased cost and utilization is straining the resources of many
7 people, particularly low-income elderly people who lack insurance
8 coverage for such drugs. Furthermore, inappropriate use of
9 prescription drugs can result in unnecessary expenditures and lead to
10 serious health consequences. It is therefore the intent of the
11 legislature to develop programs to provide prescription drugs at an
12 affordable price to those in need, and increase public awareness
13 regarding their safe and cost-effective use.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09 RCW
15 to read as follows:

16 (1) The Washington institute for public policy shall report to the
17 appropriate committees of the legislature by November 15, 2003, on the
18 projected five-year costs, benefits, enrollment levels, and
19 implications for other state-funded medicaid services of a medicaid
20 waiver program that would provide prescription drug benefits to persons
21 aged sixty-five and older who would not otherwise be eligible for
22 medicaid. The department shall actively cooperate and assist the
23 institute in preparation of this report.

24 (2) The report shall assess at least three alternative benefit
25 designs, involving differing enrollee premium levels, point-of-service
26 cost-sharing arrangements, and deductible levels.

27 (3) For each alternative benefit design, the institute shall
28 provide five-year estimates of the number of state residents who would
29 be eligible for the program, the number who would seek coverage, and

1 the projected cost of covering all applicants if eligibility for the
2 program were limited to legal residents aged sixty-five and older with
3 incomes at or below: (a) One hundred fifty percent of the federal
4 poverty level; and (b) two hundred percent of the federal poverty level
5 as adjusted for family size and determined annually by the federal
6 department of health and human services.

7 (4) For each alternative benefit design and income eligibility
8 level, the institute shall estimate the type and amount of medicaid
9 expenditures on behalf of senior citizens that would need to be avoided
10 as a result of the medicaid waiver program in order to meet federal
11 budget neutrality requirements; the likelihood of avoiding such
12 expenditures; and an assessment of the impacts upon the state budget
13 and upon enrollment in the medicaid waiver program if the cost
14 avoidance needed to meet federal budget neutrality requirements is not
15 achieved.

16 (5) The report shall include suggestions about how the medicaid
17 waiver drug benefit should be designed to promote coordination with,
18 and avoid duplication of, drug benefits that may be made available
19 under the federal medicare program.

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

22 (1) The health care authority shall implement a program whereby it
23 negotiates with prescription drug manufacturers for price discounts,
24 comparable to those preferred prices it negotiates for its own
25 purchases, to be available to any Washington resident:

26 (a) Whose family income does not exceed two hundred fifty percent
27 of the federal poverty level as adjusted for family size and determined
28 annually by the federal department of health and human services;

29 (b) Who does not otherwise have insurance that provides
30 prescription drug coverage; and

31 (c) Who is: (i) At least fifty years old; or (ii) between the ages
32 of nineteen and forty-nine and is otherwise eligible for benefits under
33 Title II of the social security act, federal old age, survivors, and
34 disability insurance benefits.

35 (2) The administrator shall charge participants in this program an

1 annual enrollment fee sufficient to offset the cost of program
2 administration.

3 (3) The price discounts available pursuant to this section shall
4 not be at the expense of retail pharmacies.

5 (4) This program will be terminated within twelve months after
6 implementation of a prescription drug benefit under Title XVIII of the
7 social security act, or by June 30, 2009.

8 NEW SECTION. **Sec. 4.** A new section is added to chapter 41.05 RCW
9 to read as follows:

10 The consolidated prescription drug purchasing account is created in
11 the custody of the state treasurer. All receipts under section 3(2) of
12 this act from the fees from the price discount program created in
13 section 3 of this act must be deposited into the account. Expenditures
14 from the account may be used only for the purposes of section 3 of this
15 act. Only the administrator or the administrator's designee may
16 authorize expenditures from the account. The account is subject to
17 allotment procedures under chapter 43.88 RCW, but an appropriation is
18 not required for expenditures.

19 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.05 RCW
20 to read as follows:

21 (1) The administrator shall establish and advertise a pharmacy
22 connection program through which health care providers and members of
23 the public can obtain information about manufacturer-sponsored
24 prescription drug assistance programs. The administrator shall ensure
25 that the program has staff available who can assist persons in
26 procuring free or discounted medications from manufacturer-sponsored
27 prescription drug assistance programs by:

28 (a) Determining whether an assistance program is offered for the
29 needed drug or drugs;

30 (b) Evaluating the likelihood of a person obtaining drugs from an
31 assistance program under the guidelines formulated;

32 (c) Assisting persons with the application and enrollment in an
33 assistance program;

34 (d) Coordinating and assisting physicians and others authorized to

1 prescribe medications with communications, including applications, made
2 on behalf of a person to a participating manufacturer to obtain
3 approval of the person in an assistance program; and

4 (e) Working with participating manufacturers to simplify the system
5 whereby eligible persons access drug assistance programs, including
6 development of a single application form and uniform enrollment
7 process.

8 (2) Notice regarding the pharmacy connection program shall
9 initially target senior citizens, but the program shall be available to
10 anyone, and shall include a toll-free telephone number, available
11 during regular business hours, that may be used to obtain information.

12 (3) The administrator may apply for and accept grants or gifts and
13 may enter into interagency agreements or contracts with other state
14 agencies or private organizations to assist with the implementation of
15 this program including, but not limited to, contracts, gifts, or grants
16 from pharmaceutical manufacturers to assist with the direct costs of
17 the program.

18 (4) The administrator shall notify pharmaceutical companies doing
19 business in Washington of the pharmacy connection program. Any
20 pharmaceutical company that does business in this state and that offers
21 a pharmaceutical assistance program shall notify the administrator of
22 the existence of the program, the drugs covered by the program, and all
23 information necessary to apply for assistance under the program.

24 (5) For purposes of this section, "manufacturer-sponsored
25 prescription drug assistance program" means a program offered by a
26 pharmaceutical company through which the company provides a drug or
27 drugs to eligible persons at no charge or at a reduced cost. The term
28 does not include the provision of a drug as part of a clinical trial.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 74.09 RCW
30 to read as follows:

31 Each of the state's area agencies on aging shall implement a
32 program intended to inform and train persons sixty-five years and older
33 in the safe and appropriate use of prescription and nonprescription
34 medications. To further this purpose, the department shall award a
35 development grant of up to twenty-five thousand dollars to each of the
36 agencies upon a showing that:

1 (1) The agency has the ability to effectively administer such a
2 program, including an understanding of the relevant issues and
3 appropriate outreach and follow-up;

4 (2) The agency can bring resources to the program in addition to
5 those funded by the grant; and

6 (3) The program will be a collaborative effort between the agency
7 and other health care providers and programs in the location to be
8 served, including doctors, pharmacists, and long-term care providers.

9 NEW SECTION. **Sec. 7.** A new section is added to chapter 41.05 RCW
10 to read as follows:

11 The authority may adopt rules to implement this act.

12 NEW SECTION. **Sec. 8.** By January 1, 2005, the administrator of the
13 health care authority and the director of the department of social and
14 health services shall submit to the governor and the legislature a
15 progress report regarding the implementation of the programs created in
16 this act."

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17 On page 1, line 1 of the title, after "drugs;" strike the remainder
18 of the title and insert "adding new sections to chapter 74.09 RCW;
19 adding new sections to chapter 41.05 RCW; and creating new sections."

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