
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1214

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Cody, Pflug, Conway, Cooper, McCoy, Berkey, Voloria, Schual-Berke, Bush, Lovick, Hunt, Campbell, Kirby, Hudgins, Dickerson, Pettigrew, Pearson, Wood, Fromhold, Upthegrove, Schindler, McDermott, Wallace, Rockefeller, Morrell, Simpson, Anderson, McMahan, Darneille, Chase, Woods and Clements; by request of Governor Locke)

READ FIRST TIME 01/31/03.

1 AN ACT Relating to prescription drugs; amending RCW 41.05.011;
2 adding new sections to chapter 41.05 RCW; adding a new section to
3 chapter 74.09 RCW; adding a new section to chapter 69.41 RCW; creating
4 new sections; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that prescription
7 drugs are an effective and important part of efforts to maintain and
8 improve the health of Washington state residents. Yet prescription
9 drug expenditures in both the public and private sectors are growing at
10 rates far in excess of consumer or medical inflation, placing a strain
11 on the ability of public and private health care purchasers to continue
12 to offer comprehensive health benefits coverage. In addition,
13 inappropriate use of prescription drugs can have serious health
14 consequences for Washington state residents.

15 (2) It is the intent of the legislature to:

16 (a) Develop a comprehensive prescription drug education and
17 utilization system in Washington state that will ensure best

1 prescribing practices and pharmaceutical use, reduce administrative
2 burdens on providers, increase consumer understanding of and compliance
3 with appropriate use of prescription drugs, help to control increases
4 in consumer and state health care spending, and improve prescription
5 drug purchasing through a sound evidence-based process that evaluates
6 the therapeutic value and cost-effectiveness of prescription drugs; and

7 (b) Develop a program to promote access to affordable prescription
8 drug coverage to low-income aged or disabled persons who do not
9 otherwise have adequate coverage to purchase necessary and appropriate
10 prescription drugs.

11 **Sec. 2.** RCW 41.05.011 and 2001 c 165 s 2 are each amended to read
12 as follows:

13 Unless the context clearly requires otherwise, the definitions in
14 this section shall apply throughout this chapter.

15 (1) "Administrator" means the administrator of the authority.

16 (2) "State purchased health care" or "health care" means medical
17 and health care, pharmaceuticals, and medical equipment purchased with
18 state and federal funds by the department of social and health
19 services, the department of health, the basic health plan, the state
20 health care authority, the department of labor and industries, the
21 department of corrections, the department of veterans affairs, and
22 local school districts for whom the authority is providing the school
23 districts' health insurance programs as provided in RCW 28A.400.350.

24 (3) "Authority" means the Washington state health care authority.

25 (4) "Insuring entity" means an insurer as defined in chapter 48.01
26 RCW, a health care service contractor as defined in chapter 48.44 RCW,
27 or a health maintenance organization as defined in chapter 48.46 RCW.

28 (5) "Flexible benefit plan" means a benefit plan that allows
29 employees to choose the level of health care coverage provided and the
30 amount of employee contributions from among a range of choices offered
31 by the authority.

32 (6) "Employee" includes all full-time and career seasonal employees
33 of the state, whether or not covered by civil service; elected and
34 appointed officials of the executive branch of government, including
35 full-time members of boards, commissions, or committees; and includes
36 any or all part-time and temporary employees under the terms and
37 conditions established under this chapter by the authority; justices of

1 the supreme court and judges of the court of appeals and the superior
2 courts; and members of the state legislature or of the legislative
3 authority of any county, city, or town who are elected to office after
4 February 20, 1970. "Employee" also includes: (a) Employees of a
5 county, municipality, or other political subdivision of the state if
6 the legislative authority of the county, municipality, or other
7 political subdivision of the state seeks and receives the approval of
8 the authority to provide any of its insurance programs by contract with
9 the authority, as provided in RCW 41.04.205; (b) employees of employee
10 organizations representing state civil service employees, at the option
11 of each such employee organization, and, effective October 1, 1995,
12 employees of employee organizations currently pooled with employees of
13 school districts for the purpose of purchasing insurance benefits, at
14 the option of each such employee organization; and (c) employees of a
15 school district if the authority agrees to provide any of the school
16 districts' insurance programs by contract with the authority as
17 provided in RCW 28A.400.350.

18 (7) "Board" means the public employees' benefits board established
19 under RCW 41.05.055.

20 (8) "Retired or disabled school employee" means:

21 (a) Persons who separated from employment with a school district or
22 educational service district and are receiving a retirement allowance
23 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

24 (b) Persons who separate from employment with a school district or
25 educational service district on or after October 1, 1993, and
26 immediately upon separation receive a retirement allowance under
27 chapter 41.32, 41.35, or 41.40 RCW;

28 (c) Persons who separate from employment with a school district or
29 educational service district due to a total and permanent disability,
30 and are eligible to receive a deferred retirement allowance under
31 chapter 41.32, 41.35, or 41.40 RCW.

32 (9) "Benefits contribution plan" means a premium only contribution
33 plan, a medical flexible spending arrangement, or a cafeteria plan
34 whereby state and public employees may agree to a contribution to
35 benefit costs which will allow the employee to participate in benefits
36 offered pursuant to 26 U.S.C. Sec. 125 or other sections of the
37 internal revenue code.

38 (10) "Salary" means a state employee's monthly salary or wages.

1 (11) "Participant" means an individual who fulfills the eligibility
2 and enrollment requirements under the benefits contribution plan.

3 (12) "Plan year" means the time period established by the
4 authority.

5 (13) "Separated employees" means persons who separate from
6 employment with an employer as defined in:

7 (a) RCW 41.32.010(11) on or after July 1, 1996; or

8 (b) RCW 41.35.010 on or after September 1, 2000; or

9 (c) RCW 41.40.010 on or after March 1, 2002;

10 and who are at least age fifty-five and have at least ten years of
11 service under the teachers' retirement system plan 3 as defined in RCW
12 41.32.010(40), the Washington school employees' retirement system plan
13 3 as defined in RCW 41.35.010, or the public employees' retirement
14 system plan 3 as defined in RCW 41.40.010.

15 (14) "Emergency service personnel killed in the line of duty" means
16 law enforcement officers and fire fighters as defined in RCW 41.26.030,
17 and reserve officers and fire fighters as defined in RCW 41.24.010 who
18 die as a result of injuries sustained in the course of employment as
19 determined consistent with Title 51 RCW by the department of labor and
20 industries.

21 (15) "Prescription drug board" means the prescription drug quality
22 improvement and purchasing board created in section 3 of this act.

23 NEW SECTION. Sec. 3. A new section is added to chapter 41.05 RCW
24 to read as follows:

25 (1) The prescription drug quality improvement and purchasing board
26 is created within the authority. The function of the prescription drug
27 board is to design and approve policies and programs related to
28 prescription drugs for public and private participants in the
29 purchasing consortium established under section 4 of this act.

30 (2) The prescription drug board shall be composed of thirteen
31 members selected as provided in this subsection.

32 (a) The governor shall select one member of the prescription drug
33 board from lists of three nominees submitted by statewide organizations
34 representing each of the following:

35 (i) One representative of state employees, who represents an
36 employee union certified as exclusive representative of at least one
37 bargaining unit of classified employees;

1 (ii) One member who is a licensed physician;
2 (iii) One member who is a licensed pharmacist;
3 (iv) One member representing a health carrier licensed under Title
4 48 RCW; and
5 (v) One member representing a private union;
6 (b) The governor shall select two members of the prescription drug
7 board from a list of nominees submitted by statewide organizations
8 representing consumers, one of whom shall represent individuals under
9 age sixty-five without insurance coverage for prescription drugs and
10 one of whom shall represent individuals over age sixty-five without
11 insurance coverage for prescription drugs;
12 (c) The governor shall select two members of the prescription drug
13 board from a list of nominees submitted by statewide organizations
14 representing business, one of whom shall represent small businesses who
15 employ fifty or fewer employees and one of whom shall represent large
16 businesses;
17 (d) The governor shall select one member who is versed in biologic
18 medicine through research or academia from the University of Washington
19 or Washington State University;
20 (e) One member shall be the secretary of the department of social
21 and health services or his or her designee;
22 (f) One member shall be the director of the department of labor and
23 industries or his or her designee; and
24 (g) One member shall be the administrator.
25 (3) The members who represent the organizations appointed pursuant
26 to subsection (2)(a)(v) and (c) of this section shall be nonvoting
27 members until such time as there are no less than twelve thousand
28 participants enrolled with the authority for prescription drug
29 purchasing from each of the organizations they are appointed to
30 represent.
31 (4) The governor shall appoint the initial members of the
32 prescription drug board to staggered terms not to exceed four years.
33 Members appointed thereafter shall serve two-year terms. Members of
34 the prescription drug board shall be compensated in accordance with RCW
35 43.03.250 and shall be reimbursed for their travel expenses while on
36 official business in accordance with RCW 43.03.050 and 43.03.060. The
37 administrator, on behalf of the prescription drug board, shall

1 prescribe rules for the conduct of its business. The administrator
2 shall serve as chair of the prescription drug board. Meetings of the
3 prescription drug board shall be at the call of the chair.

4 (5) Members of the prescription drug board are immune from civil
5 liability for any official acts performed in good faith as members of
6 the board.

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

9 (1) The prescription drug board shall, directly or by contract:

10 (a) Adopt a preferred drug list for use as provided in this act
11 through the establishment of a pharmacy and therapeutics committee.

12 (i) The pharmacy and therapeutics committee shall be comprised of
13 practicing licensed physicians, other practicing licensed health
14 professionals with prescriptive authority, practicing licensed
15 pharmacists, and pharmacoeconomists. At least one licensed health
16 professional with prescriptive authority and one pharmacist must have
17 demonstrated experience in serving women, children, and people of
18 color. The membership composition must be consistent with applicable
19 federal requirements under Title XIX of the federal social security act
20 to allow full participation by the department of social and health
21 services or other state agencies in activities under this act.

22 (ii) The pharmacy and therapeutics committee shall review
23 nationally recognized therapeutic drug classes. The committee must use
24 an evidence-based process that evaluates the efficacy of prescription
25 drugs, considering safety, efficacy, likelihood of compliance,
26 outcomes, and any unique impacts on specific populations based upon
27 factors such as sex, age, ethnicity, race, or disability. For each
28 therapeutic class reviewed, the committee must identify the
29 prescription drugs determined to be most clinically effective, and if
30 applicable, equally effective. Decisions of the pharmacy and
31 therapeutics committee regarding the clinical effectiveness of drugs
32 within a therapeutic class are binding on the prescription drug board.

33 If a substantial number of prescribers in a peer group are
34 frequently prescribing nonpreferred drugs in one or more therapeutic
35 classes, the administrator must provide the pharmacy and therapeutics
36 committee with information on these prescribing patterns to enable the

1 committee to review their decisions related to the affected therapeutic
2 classes.

3 (iii) State purchased health care programs shall adopt the
4 preferred drug list established by the prescription drug board for
5 those components of their programs that purchase prescription drugs
6 directly or through reimbursement of retail pharmacies consistent with
7 the scope of benefits offered through those programs. In administering
8 prescription drug benefits under state purchased health care programs,
9 agencies shall honor an endorsing prescriber's direction to dispense a
10 prescription drug as written on the prescription order or to continue
11 therapy with the drug classes included in section 12 of this act.

12 (iv) Within one hundred twenty days following establishment of the
13 pharmacy and therapeutics committee, the drug utilization and education
14 council within the department of social and health services shall be
15 disbanded and its functions transferred to the pharmacy and
16 therapeutics committee.

17 (v) If a particular class of drugs is being used in a disease
18 management program sponsored by a state purchased health care program,
19 efforts shall be made to ensure that the preferred drugs in that class
20 are consistent with protocols or algorithms used in the disease
21 management program.

22 (vi) Members of the pharmacy and therapeutics committee are immune
23 from civil liability for any official acts performed in good faith as
24 members of the committee;

25 (b) Establish drug utilization management policies. State
26 purchased health care programs shall adopt these drug utilization
27 management policies consistent with the scope of benefits offered and
28 populations served through programs administered by that program and
29 may implement the policies directly or by contract or interagency
30 agreement. To ensure full participation by the department of social
31 and health services in drug utilization management activities under
32 this act, the policies must be consistent with drug utilization review
33 requirements of Title XIX of the federal social security act. The
34 pharmacy and therapeutics committee shall conduct drug utilization
35 management activities for state purchased health care programs and the
36 consortium as directed by the prescription drug board;

37 (c) Develop prescriber and consumer education policies. State
38 purchased health care programs shall adopt these prescriber and

1 consumer policies and implement them directly or by contract or
2 interagency agreement. Effective prescriber education policies are
3 intended to result in better compliance of prescribers with the
4 preferred drug list and increased cost savings. Prescriber education
5 policies should be adequately funded and designed to educate
6 prescribers to prevent use of more expensive prescription drugs of no
7 greater clinical benefit, to increase prescribers' awareness of the
8 preferred drug list and the credible evidence-based process used to
9 develop it, and the ability to direct that prescriptions be dispensed
10 as written;

11 (d) Adopt policies necessary for establishment of a prescription
12 drug purchasing consortium. The administrator shall implement the
13 prescription drug purchasing consortium policies adopted by the board,
14 and shall coordinate state purchased health care programs'
15 participation in the consortium. State purchased health care programs
16 shall purchase prescription drugs through the consortium for those
17 prescription drugs that are purchased directly by the state and those
18 that are purchased through reimbursement of retail pharmacies, unless
19 exempted under section 13 of this act. The administrator shall not
20 require that any supplemental rebate offered by a pharmaceutical
21 manufacturer for prescription drugs purchased for medical assistance
22 program clients under chapter 74.09 RCW be extended to state purchased
23 health care programs other than medical assistance, or to private
24 individuals or entities participating in the consortium. The
25 prescription drug board and the administrator shall explore joint
26 purchasing opportunities with other states to achieve quality cost-
27 effective prescription drug coverage for those participating in the
28 consortium.

29 (2) Participation in the purchasing consortium and other
30 prescription drug board activities is purely voluntary for units of
31 local government, private entities, and individuals who lack or are
32 underinsured for prescription drug coverage. Unaffiliated individuals
33 who participate in the consortium shall receive reduced costs
34 comparable to those negotiated by the consortium for its preferred
35 prescription drugs. The prescription drug board may set reasonable
36 fees, including enrollment fees for participating individuals, to cover
37 administrative costs attributable to participation of private entities

1 in prescription drug board activities. A private entity may limit its
2 participation to one or more of the prescription drug board's program
3 components.

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

6 Members of the prescription drug board, the pharmacy and
7 therapeutics committee, or any committee that may be established to
8 carry out activities under this act are prohibited from being employed
9 by a pharmaceutical manufacturer, a pharmacy benefits management
10 company, or be employed by any agency administering state purchased
11 health care programs, except as specified in section 3(2) (e), (f), and
12 (g) of this act. As a condition of appointment to the prescription
13 drug board or any committee, each member must disclose any potential
14 conflict of interest, including receipt of any remuneration, grants, or
15 other compensation from a pharmaceutical manufacturer or pharmaceutical
16 benefits management company.

17 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW
18 to read as follows:

- 19 The administrator shall:
- 20 (1) Directly or by interagency agreement or contract, distribute
21 the initial preferred drug list and any subsequent revisions to every
22 provider with prescriptive authority, including with it a description
23 of how the list was developed, how it will be used, and requesting his
24 or her endorsement;
 - 25 (2) Obtain in writing from all prescribers either: (a) An
26 affirmative statement endorsing the preferred drug list and
27 acknowledging the therapeutic substitution authority granted to
28 pharmacists when there is no direction to dispense the prescription as
29 written, or (b) a statement declining to endorse the preferred drug
30 list; and
 - 31 (3) Provide each pharmacy with a listing of the prescribers who
32 have not endorsed the preferred drug list.

33 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.09 RCW
34 to read as follows:

- 35 (1) To the extent funds are appropriated specifically for this

1 purpose, and subject to any conditions placed on appropriations made
2 for this purpose, the department shall design the medicaid prescription
3 drug assistance program. Neither the benefits of, nor eligibility for,
4 the program is considered to be an entitlement.

5 (2) The department is directed to obtain necessary federal waivers
6 to implement this program. Consistent with federal waiver conditions,
7 the department is authorized to charge enrollment fees, premiums, or
8 point-of-service cost-sharing to enrollees of the program.

9 (3) Eligibility for this program is limited to persons: (a) Who
10 are eligible for medicare or age sixty-five and older; (b) whose family
11 income does not exceed two hundred percent of the federal poverty level
12 as adjusted for family size and determined annually by the federal
13 department of health and human services; (c) who do not otherwise have
14 insurance that provides prescription drug coverage; and (d) who are not
15 otherwise eligible under Title XIX of the federal social security act.

16 (4) The department is authorized to use a cost-effective
17 prescription drug benefit design. Consistent with federal waiver
18 conditions, this benefit design can be different than the benefit
19 design offered under the medical assistance program. The benefit
20 design may include a deductible benefit that provides coverage when
21 enrollees incur higher prescription drug costs as defined by the
22 department. The department also may offer more than one benefit
23 design.

24 (5) The department is authorized to limit enrollment of persons who
25 qualify for the program so as to prevent an overexpenditure of
26 appropriations for this program or to assure necessary compliance with
27 federal waiver budget neutrality requirements. The department shall
28 not reduce existing medical assistance program eligibility or benefits
29 to assure compliance with federal waiver budget neutrality
30 requirements.

31 (6) No funds from an approved federal waiver that allows for the
32 collection of premiums from medicaid clients will be used to finance
33 the medicaid prescription drug assistance program.

34 (7) This program will be terminated within twelve months after
35 implementation of a prescription drug benefit under Title XVIII of the
36 social security act.

37 (8) The department shall provide recommendations to the appropriate
38 committees of the senate and house of representatives by November 15,

1 2003, on financing options available to support the medicaid
2 prescription drug assistance program. In recommending financing
3 options, the department shall explore every opportunity to maximize
4 federal funding to support the program.

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

7 The administrator shall, directly or by interagency agreement or
8 contract, establish and operate a statewide senior prescription drug
9 information clearinghouse. The clearinghouse shall:

10 (1) Promote access to necessary prescription drugs for persons over
11 age sixty-five who reside in Washington state;

12 (2) Make information available on a statewide basis regarding
13 private and public programs that provide financial assistance to
14 seniors for the purchase of prescription drugs;

15 (3) Provide educational information about the preferred drug list
16 and methods to purchase prescription drugs most cost-effectively and
17 efficiently, including information about generic drugs and the
18 potential for dangerous drug interactions; and

19 (4) Provide individual education and assistance regarding
20 prescription drug financial assistance programs.

21 Prior to July 1, 2005, the administrator shall provide for an
22 evaluation of the effectiveness and potential continuation of the
23 clearinghouse.

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

26 The prescription drug consortium account is created in the custody
27 of the state treasurer. All receipts from the fees from the
28 prescription drug purchasing consortium created in section 4 of this
29 act must be deposited into the account. Expenditures from the account
30 may be used only for the purposes of section 4 of this act. Only the
31 administrator or the administrator's designee may authorize
32 expenditures from the account. The account is subject to allotment
33 procedures under chapter 43.88 RCW, but an appropriation is not
34 required for expenditures.

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

3 The prescription drug board and the administrator may solicit and
4 accept grants or other funds from public and private sources to support
5 activities under this act, including but not limited to consumer and
6 provider education. Any grants or funds received may be used to
7 enhance these activities as long as program standards established by
8 the prescription drug board and the administrator are maintained.
9 Except for supplemental rebates, no money from the pharmaceutical
10 industry shall be used to support the activities under this act.
11 Private foundations shall be prohibited from passing through funding
12 from a pharmaceutical manufacturer when it gives the appearance of a
13 conflict of interest or an attempt to exert undue influence on the
14 implementation of this act. The administrator shall report to the
15 appropriate committees of the senate and house of representatives on
16 any grants or funds received under this section within thirty days of
17 their receipt.

18 NEW SECTION. **Sec. 11.** A new section is added to chapter 41.05 RCW
19 to read as follows:

20 The administrator shall contract with an independent entity to
21 evaluate the implementation and impacts of the prescription drug
22 board's activities under this act.

23 (1) The evaluation shall assess:

24 (a) The degree to which the program has influenced prescription
25 drug prescribing practices among health care providers in Washington,
26 including a description of how prescribing practices may have changed;

27 (b) The impact of the program on quality of care and clinical
28 outcomes for persons enrolled in state purchased health care programs;

29 (c) The extent to which the program has lessened administrative
30 burdens on health care providers participating in state purchased
31 health care programs;

32 (d) The impact of the program on prescription drug expenditures
33 across state purchased health care programs; and

34 (e) The impact of the program on the utilization of, and
35 expenditures for, other health care services funded by state purchased
36 health care programs.

37 (2) The administrator shall make every effort to pursue and obtain

1 federal or private foundation funding for the evaluation from entities
2 such as the federal agency for health care research and quality or the
3 Milbank memorial fund. To ensure that results of the evaluation are
4 objective and unbiased, private foundation funds derived from the
5 pharmaceutical industry may not be used to fund the evaluation.

6 (3) The results of the evaluation must be submitted to the governor
7 and the legislature by January 1, 2007.

8 NEW SECTION. **Sec. 12.** A new section is added to chapter 69.41 RCW
9 to read as follows:

10 Any pharmacist filling a prescription under the preferred drug list
11 program established under section 4 of this act shall substitute the
12 preferred drug for any nonpreferred drug in a given therapeutic
13 category, unless:

14 (1) The endorsing prescriber has indicated on the prescription that
15 the nonpreferred drug must be dispensed as written; or

16 (2) The prescription is for a refill of an antipsychotic,
17 antidepressant, chemotherapy, antiretroviral, or immunosuppressive
18 drug, in which case the pharmacist shall dispense the nonpreferred drug
19 as written. When a substitution is made, on a new prescription or as
20 a result of a change in the preferred drug within a therapeutic class,
21 the prescriber must be notified in writing by the dispensing pharmacist
22 of the specific drug and dose dispensed.

23 NEW SECTION. **Sec. 13.** A new section is added to chapter 41.05 RCW
24 to read as follows:

25 Nothing in this act preempts state-owned or managed hospitals
26 licensed under chapter 70.41 RCW from aggregate purchasing through
27 other programs. These hospitals may choose to participate in the
28 preferred drug list program under section 4 of this act if drugs can be
29 obtained at lower cost.

30 NEW SECTION. **Sec. 14.** A new section is added to chapter 41.05 RCW
31 to read as follows:

32 This act does not apply to state purchased health care services
33 that are purchased from or through health carriers as defined in RCW
34 48.43.005, or group model health maintenance organizations that are
35 accredited by the national committee for quality assurance. The

1 administrator shall exempt those prescribers that practice in a group
2 model health maintenance organization that is accredited by the
3 national committee for quality assurance from the endorsement
4 provisions of section 6 of this act.

5 NEW SECTION. **Sec. 15.** The therapeutic consultation service
6 operated by the department of social and health services, with the
7 exception of the intensive benefits management and academic detailing
8 components of the program, expires on July 1, 2005. However, the
9 department shall terminate the therapeutic consultation service four
10 brand limit program component earlier if, upon monitoring prescriber
11 compliance with the preferred drug list and trends in the therapeutic
12 consultation service four brand limit program component, the department
13 determines the number of pharmacy claims that trigger the four brand
14 edit exception under therapeutic consultation services is below the
15 threshold indicated in the biennial omnibus operating budget bill for
16 three consecutive months. The threshold shall represent the point
17 where the legislature determines that anticipated savings associated
18 with the therapeutic consultation service four brand limit program
19 component no longer justify its operation due to the implementation of
20 this act.

21 NEW SECTION. **Sec. 16.** A new section is added to chapter 41.05 RCW
22 to read as follows:

23 The health care authority, on behalf of the prescription drug
24 board, and agencies that administer state purchased health care
25 programs are authorized to adopt rules implementing this act.

26 NEW SECTION. **Sec. 17.** If specific funding for this act
27 referencing this act by bill or chapter number, is not provided by June
28 30, 2003, in the omnibus appropriations act, this act is null and void.

29 NEW SECTION. **Sec. 18.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other
32 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 19.** If any part of this act is found to be in
2 conflict with federal requirements that are a prescribed condition to
3 the allocation of federal funds to the state, the conflicting part of
4 this act is inoperative solely to the extent of the conflict and with
5 respect to the agencies directly affected, and this finding does not
6 affect the operation of the remainder of this act in its application to
7 the agencies concerned. Rules adopted under this act must meet federal
8 requirements that are a necessary condition to the receipt of federal
9 funds by the state.

10 NEW SECTION. **Sec. 20.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and takes effect
13 immediately.

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