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SECOND SUBSTITUTE HOUSE BILL 1214

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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 1/20/03.

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  
18 prescribing practices and pharmaceutical use, reduce administrative  
19 burdens on providers, increase consumer understanding of and compliance

1 with appropriate use of prescription drugs, help to control increases  
2 in consumer and state health care spending, and improve prescription  
3 drug purchasing through a sound evidence-based process that evaluates  
4 the therapeutic value and cost-effectiveness of prescription drugs; and

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

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

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

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

14 (2) "State purchased health care" or "health care" means medical  
15 and health care, pharmaceuticals, and medical equipment purchased with  
16 state and federal funds by the department of social and health  
17 services, the department of health, the basic health plan, the state  
18 health care authority, the department of labor and industries, the  
19 department of corrections, the department of veterans affairs, and  
20 local school districts.

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

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

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

29 (6) "Employee" includes all full-time and career seasonal employees  
30 of the state, whether or not covered by civil service; elected and  
31 appointed officials of the executive branch of government, including  
32 full-time members of boards, commissions, or committees; and includes  
33 any or all part-time and temporary employees under the terms and  
34 conditions established under this chapter by the authority; justices of  
35 the supreme court and judges of the court of appeals and the superior  
36 courts; and members of the state legislature or of the legislative  
37 authority of any county, city, or town who are elected to office after

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

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

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

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

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

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

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

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

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

1 (12) "Plan year" means the time period established by the  
2 authority.

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

- 5 (a) RCW 41.32.010(11) on or after July 1, 1996; or
- 6 (b) RCW 41.35.010 on or after September 1, 2000; or
- 7 (c) RCW 41.40.010 on or after March 1, 2002;

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

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

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

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

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

28 (2) The prescription drug board shall be composed of twelve members  
29 selected as provided in this subsection.

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

- 33 (i) One representative of state employees, who represents an  
34 employee union certified as exclusive representative of at least one  
35 bargaining unit of classified employees;
- 36 (ii) One member who is a licensed physician;
- 37 (iii) One member who is a licensed pharmacist;

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

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

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

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

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

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

27        If a substantial number of prescribers in a peer group are  
28 frequently prescribing nonpreferred drugs in one or more therapeutic  
29 classes, the administrator must provide the pharmacy and therapeutics  
30 committee with information on these prescribing patterns to enable the  
31 committee to review their decisions related to the affected therapeutic  
32 classes.

33        (iii) State purchased health care programs shall adopt the  
34 preferred drug list established by the prescription drug board for  
35 those components of their programs that purchase prescription drugs  
36 directly or through reimbursement of retail pharmacies consistent with  
37 the scope of benefits offered through those programs. In administering  
38 prescription drug benefits under state purchased health care programs,

1 agencies shall honor an endorsing prescriber's direction to dispense a  
2 prescription drug as written on the prescription order or to continue  
3 therapy with the drug classes included in section 12 of this act.

4 (iv) Within one hundred twenty days following establishment of the  
5 pharmacy and therapeutics committee, the drug utilization and education  
6 council within the department of social and health services shall be  
7 disbanded and its functions transferred to the pharmacy and  
8 therapeutics committee.

9 (v) If a particular class of drugs is being used in a disease  
10 management program sponsored by a state purchased health care program,  
11 efforts shall be made to ensure that the preferred drugs in that class  
12 are consistent with protocols or algorithms used in the disease  
13 management program.

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

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

29 (c) Develop prescriber and consumer education policies. State  
30 purchased health care programs shall adopt these prescriber and  
31 consumer policies and implement them directly or by contract or  
32 interagency agreement. Effective prescriber education policies are  
33 intended to result in better compliance of prescribers with the  
34 preferred drug list and increased cost savings. Prescriber education  
35 policies should be adequately funded and designed to educate  
36 prescribers to prevent use of more expensive prescription drugs of no  
37 greater clinical benefit, to increase prescribers' awareness of the

1 preferred drug list and the credible evidence-based process used to  
2 develop it, and the ability to direct that prescriptions be dispensed  
3 as written;

4 (d) Adopt policies necessary for establishment of a prescription  
5 drug purchasing consortium. The administrator shall implement the  
6 prescription drug purchasing consortium policies adopted by the board,  
7 and shall coordinate state purchased health care programs'  
8 participation in the consortium. State purchased health care programs  
9 shall purchase prescription drugs through the consortium for those  
10 prescription drugs that are purchased directly by the state and those  
11 that are purchased through reimbursement of retail pharmacies, unless  
12 exempted under section 13 of this act. The prescription drug board and  
13 the administrator shall explore joint purchasing opportunities with  
14 other states to achieve quality cost-effective prescription drug  
15 coverage for those participating in the consortium.

16 (2) Participation in the purchasing consortium and other  
17 prescription drug board activities is purely voluntary for units of  
18 local government, private entities, and individuals who lack or are  
19 underinsured for prescription drug coverage. Unaffiliated individuals  
20 who participate in the consortium shall receive reduced costs  
21 comparable to those negotiated by the consortium for its preferred  
22 prescription drugs. The prescription drug board may set reasonable  
23 fees, including enrollment fees for participating individuals, to cover  
24 administrative costs attributable to participation of private entities  
25 in prescription drug board activities. A private entity may limit its  
26 participation to one or more of the prescription drug board's program  
27 components.

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

30 Members of the prescription drug board, the pharmacy and  
31 therapeutics committee, or any committee that may be established to  
32 carry out activities under this act are prohibited from being employed  
33 by a pharmaceutical manufacturer, a pharmacy benefits management  
34 company, or be employed by any agency administering state purchased  
35 health care programs, except as specified in section 3(2)(d), (e), and  
36 (f) of this act. As a condition of appointment to the prescription  
37 drug board or any committee, each member must disclose any potential



1 conflict of interest, including receipt of any remuneration, grants, or  
2 other compensation from a pharmaceutical manufacturer or pharmaceutical  
3 benefits management company.

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

6 The administrator shall:

7 (1) Directly or by interagency agreement or contract, distribute  
8 the initial preferred drug list and any subsequent revisions to every  
9 provider with prescriptive authority, including with it a description  
10 of how the list was developed, how it will be used, and requesting his  
11 or her endorsement;

12 (2) Obtain in writing from all prescribers either: (a) An  
13 affirmative statement endorsing the preferred drug list and  
14 acknowledging the therapeutic substitution authority granted to  
15 pharmacists when there is no direction to dispense the prescription as  
16 written, or (b) a statement declining to endorse the preferred drug  
17 list; and

18 (3) Provide each pharmacy with a listing of the prescribers who  
19 have not endorsed the preferred drug list.

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

22 (1) To the extent funds are appropriated specifically for this  
23 purpose, and subject to any conditions placed on appropriations made  
24 for this purpose, the department shall design the medicaid prescription  
25 drug assistance program. Neither the benefits of, nor eligibility for,  
26 the program is considered to be an entitlement.

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

31 (3) Eligibility for this program is limited to persons: (a) Who  
32 are eligible for medicare or age sixty-five and older; (b) whose family  
33 income does not exceed two hundred percent of the federal poverty level  
34 as adjusted for family size and determined annually by the federal  
35 department of health and human services; (c) who do not otherwise have

1 insurance that provides prescription drug coverage; and (d) who are not  
2 otherwise eligible under Title XIX of the federal social security act.

3 (4) The department is authorized to use a cost-effective  
4 prescription drug benefit design. Consistent with federal waiver  
5 conditions, this benefit design can be different than the benefit  
6 design offered under the medical assistance program. The benefit  
7 design may include a deductible benefit that provides coverage when  
8 enrollees incur higher prescription drug costs as defined by the  
9 department. The department also may offer more than one benefit  
10 design.

11 (5) The department is authorized to limit enrollment of persons who  
12 qualify for the program so as to prevent an overexpenditure of  
13 appropriations for this program or to assure necessary compliance with  
14 federal waiver budget neutrality requirements. The department shall  
15 not reduce existing medical assistance program eligibility or benefits  
16 to assure compliance with federal waiver budget neutrality  
17 requirements.

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

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

24 (8) The department shall provide recommendations to the appropriate  
25 committees of the senate and house of representatives by November 15,  
26 2003, on financing options available to support the medicaid  
27 prescription drug assistance program. In recommending financing  
28 options, the department shall explore every opportunity to maximize  
29 federal funding to support the program.

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

32 The administrator shall, directly or by interagency agreement or  
33 contract, establish and operate a statewide senior prescription drug  
34 information clearinghouse. The clearinghouse shall:

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

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

4 (3) Provide educational information about the preferred drug list  
5 and methods to purchase prescription drugs most cost-effectively and  
6 efficiently, including information about generic drugs and the  
7 potential for dangerous drug interactions; and

8 (4) Provide individual education and assistance regarding  
9 prescription drug financial assistance programs.

10 Prior to July 1, 2005, the administrator shall provide for an  
11 evaluation of the effectiveness and potential continuation of the  
12 clearinghouse.

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

15 The prescription drug consortium account is created in the custody  
16 of the state treasurer. All receipts from the fees from the  
17 prescription drug purchasing consortium created in section 4 of this  
18 act must be deposited into the account. Expenditures from the account  
19 may be used only for the purposes of section 4 of this act. Only the  
20 administrator or the administrator's designee may authorize  
21 expenditures from the account. The account is subject to allotment  
22 procedures under chapter 43.88 RCW, but an appropriation is not  
23 required for expenditures.

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

26 The prescription drug board and the administrator may solicit and  
27 accept grants or other funds from public and private sources to support  
28 activities under this act, including but not limited to consumer and  
29 provider education. Any grants or funds received may be used to  
30 enhance these activities as long as program standards established by  
31 the prescription drug board and the administrator are maintained.  
32 Except for supplemental rebates, no money from the pharmaceutical  
33 industry shall be used to support the activities under this act.  
34 Private foundations shall be prohibited from passing through funding  
35 from a pharmaceutical manufacturer when it gives the appearance of a  
36 conflict of interest or an attempt to exert undue influence on the

1 implementation of this act. The administrator shall report to the  
2 appropriate committees of the senate and house of representatives on  
3 any grants or funds received under this section within thirty days of  
4 their receipt.

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

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

10 (1) The evaluation shall assess:

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

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

16 (c) The extent to which the program has lessened administrative  
17 burdens on health care providers participating in state purchased  
18 health care programs;

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

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

24 (2) The administrator shall make every effort to pursue and obtain  
25 federal or private foundation funding for the evaluation from entities  
26 such as the federal agency for health care research and quality or the  
27 Milbank memorial fund. To ensure that results of the evaluation are  
28 objective and unbiased, private foundation funds derived from the  
29 pharmaceutical industry may not be used to fund the evaluation.

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

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

34 Any pharmacist filling a prescription under the preferred drug list  
35 program established under section 4 of this act shall substitute the

1 preferred drug for any nonpreferred drug in a given therapeutic  
2 category, unless:

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

5 (2) The prescription is for a refill of an antipsychotic,  
6 chemotherapy, antiretroviral, or immunosuppressive drug, in which case  
7 the pharmacist shall dispense the nonpreferred drug as written. When  
8 a substitution is made, on a new prescription or as a result of a  
9 change in the preferred drug within a therapeutic class, the prescriber  
10 must be notified in writing by the dispensing pharmacist of the  
11 specific drug and dose dispensed.

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

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

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

21 This act does not apply to state purchased health care services  
22 that are purchased from or through managed care organizations, or group  
23 model health maintenance organizations that are accredited by the  
24 national committee for quality assurance. The administrator shall  
25 exempt those prescribers that practice in a group model health  
26 maintenance organization that is accredited by the national committee  
27 for quality assurance from the endorsement provisions of section 6 of  
28 this act.

29 NEW SECTION. **Sec. 15.** The therapeutic consultation service  
30 operated by the department of social and health services, with the  
31 exception of the intensive benefits management and academic detailing  
32 components of the program, expires on July 1, 2005. However, the  
33 department shall terminate the therapeutic consultation service four  
34 brand limit program component earlier if, upon monitoring prescriber  
35 compliance with the preferred drug list and trends in the therapeutic

1 consultation service four brand limit program component, the department  
2 determines the number of pharmacy claims that trigger the four brand  
3 edit exception under therapeutic consultation services is below the  
4 threshold indicated in the biennial omnibus operating budget bill for  
5 three consecutive months. The threshold shall represent the point  
6 where the legislature determines that anticipated savings associated  
7 with the therapeutic consultation service four brand limit program  
8 component no longer justify its operation due to the implementation of  
9 this act.

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

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

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

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

22 NEW SECTION. **Sec. 19.** If any part of this act is found to be in  
23 conflict with federal requirements that are a prescribed condition to  
24 the allocation of federal funds to the state, the conflicting part of  
25 this act is inoperative solely to the extent of the conflict and with  
26 respect to the agencies directly affected, and this finding does not  
27 affect the operation of the remainder of this act in its application to  
28 the agencies concerned. Rules adopted under this act must meet federal  
29 requirements that are a necessary condition to the receipt of federal  
30 funds by the state.

31 NEW SECTION. **Sec. 20.** This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect  
2 immediately.

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