
SENATE BILL 5904

State of Washington

58th Legislature

2003 Regular Session

By Senators Deccio, Thibaudeau, Winsley, Franklin, Parlette, Keiser, Brandland, Benton, Carlson, Hale, Johnson, Kline, McAuliffe, McCaslin, Mulliken, Oke, Rasmussen, West, Finkbeiner, Kohl-Welles, Shin, Stevens, Esser, B. Sheldon and Hewitt

Read first time 02/19/2003. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to prescription drug assistance programs for
2 seniors; adding new sections to chapter 74.09 RCW; adding new sections
3 to chapter 41.05 RCW; and creating new sections.

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

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

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

18 (1) There is established a program to be known as the medicaid

1 senior prescription drug program. Neither the benefits of, nor the
2 eligibility for, the program is considered to be an entitlement. To
3 the extent funds are appropriated specifically for this purpose, and
4 subject to any conditions placed on appropriations made for this
5 purpose, the department shall design and administer the medicaid senior
6 prescription drug program.

7 (2) The department is directed to obtain necessary federal waivers
8 to implement the medicaid senior prescription drug program. Consistent
9 with federal waiver conditions, the department may charge enrollment
10 fees, premiums, or point-of-service cost-sharing to enrollees of the
11 program.

12 (3) Eligibility for this program is limited to persons: (a) Who
13 are age sixty-five and older; (b) whose family income does not exceed
14 one hundred fifty percent of the federal poverty level as adjusted for
15 family size and determined annually by the federal department of health
16 and human services; (c) who do not otherwise have insurance that
17 provides prescription drug coverage; and (d) who otherwise are eligible
18 under Title XIX and the state's federal prescription drug waiver
19 program.

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

27 (5) The department may limit enrollment of persons who qualify for
28 the program so as to prevent an overexpenditure of appropriations for
29 this program or to assure necessary compliance with federal waiver
30 budget neutrality requirements.

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

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

36 (1) The health care authority shall implement a program whereby it

1 negotiates with prescription drug manufacturers for price discounts,
2 comparable to those negotiated for its preferred prescription drugs, to
3 be available to any Washington resident:

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

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

9 (c) Who is: (i) At least fifty-five years old; or (ii) between the
10 ages of nineteen and fifty-four and otherwise eligible for benefits
11 under Title II of the social security act, federal old age, survivors,
12 and disability insurance benefits.

13 (2) The administrator may charge participants in this program a
14 reasonable annual enrollment fee to help offset the cost of program
15 administration.

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

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

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

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

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

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

34 (c) Assisting persons with the application and enrollment in an
35 assistance program;

36 (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. 5.** 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 no more than 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. 6.** 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. 7.** 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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