
Health Care Committee

HB 2473

Brief Description: Protecting against unfair prescription drug practices by pharmacy benefit managers.

Sponsors: Representatives Schual-Berke, Appleton, Moeller, Morrell and Cody.

Brief Summary of Bill

- Regulates pharmacy benefit managers through the consumer protection act, chapter 19.86 RCW.

Hearing Date: 1/20/06

Staff: Dave Knutson (786-7146).

Background:

Pharmacy benefit managers procure prescription drugs for public and private entities and perform administrative services related to the administration of pharmacy benefits. These services may include mail order pharmacy, claims processing, payment of claims, formulary development, rebate contracting, and disease management activities. They act as an intermediary between the entities they contract with and pharmaceutical manufacturers.

Summary of Bill:

Pharmacy benefits managers owe a fiduciary duty to the entities they contract with. They are required to notify the entities they contract with in writing of anything that directly or indirectly presents a conflict of interest. Pharmacy benefit managers must follow the prescription drug substitution provision of chapter 69.41 RCW and RCW 70.14.050; the state preferred drug list. In addition, a substitution of a more expensive drug for a cheaper drug may be made for medical reasons that benefit the covered individual. Pharmacy benefit managers must transfer the entire benefit or payment received to the contracted entity that may result from a drug substitution.

Violations of this act will be treated as a violation of the consumer protection act, chapter 19.86 RCW.

Appropriation: None.

Fiscal Note: Requested on January 18, 2006.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.