

FINAL BILL REPORT

SSB 5471

C 129 L 05

Synopsis as Enacted

Brief Description: Authorizing a prescription drug purchasing consortium.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Thibaudeau, Keiser, Fraser, Berkey, Poulsen, Kline, Franklin, Brown, Haugen, McAuliffe, Rockefeller and Kohl-Welles; by request of Governor Gregoire).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care
House Committee on Appropriations

Background: Influenced by price increases, greater utilization, and changes in the types of prescriptions used, national expenditures for prescription drugs have been one of the fastest growing components of health care spending in recent years, increasing at double-digit rates in each of the past eight years. Although they remain a relatively small proportion of total health care expenditures, the annual amount spent in the United States for prescription drugs has quadrupled since 1990.

The increase in prescription drug expenditures has contributed to the significant growth in the cost of state health care programs in recent years. To address this, agencies that administer state purchased health care programs participate in an evidence-based prescription drug purchasing program. Based on the findings of an independent pharmacy and therapeutics committee, a preferred drug list is established and negotiations with pharmaceutical manufacturers result in discounted prescription drug prices for state purchased health care programs. Only state agencies participate in the evidence-based prescription drug purchasing program.

Summary: The administrator of the state Health Care Authority (HCA) will establish a prescription drug purchasing consortium, whose activities must be based on the state's existing evidence-based prescription drug purchasing program.

In addition to state agencies, the consortium may include, on a voluntary basis, local government, private entities, labor organizations, and individuals without insurance, or who are underinsured for prescription drug coverage. The HCA may impose fees on participants to cover the administrative expense of operating the purchasing consortium. An 11 member advisory committee is created to advise the HCA on the implementation of the purchasing consortium. The Joint Legislative Audit and Review Committee (JLARC) will complete a performance audit of consortium operations and outcomes by December 1, 2008.

Votes on Final Passage:

Senate 25 24

House 56 42

Effective: July 24, 2005