
HOUSE BILL 1219

State of Washington

59th Legislature

2005 Regular Session

By Representatives Cody, Schual-Berke, Morrell, Kessler, Simpson, Campbell, P. Sullivan, Williams, Chase, Dickerson, Quall, Kenney, O'Brien, Clibborn, Conway, Green, Lantz, Sells, Kagi, Ormsby, Wallace, McIntire, Upthegrove, Hasegawa and Kilmer; by request of Governor Gregoire

Read first time 01/18/2005. Referred to Committee on Health Care.

1 AN ACT Relating to authorizing a prescription drug purchasing
2 consortium; adding new sections to chapter 70.14 RCW; and creating a
3 new section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.14 RCW
6 to read as follows:

7 (1) The administrator of the state health care authority shall,
8 directly or by contract, adopt policies necessary for establishment of
9 a prescription drug purchasing consortium. The consortium's purchasing
10 activities shall be based upon the evidence-based prescription drug
11 program established under RCW 70.14.050. State purchased health care
12 programs shall purchase prescription drugs through the consortium for
13 those prescription drugs that are purchased directly by the state and
14 those that are purchased through reimbursement of pharmacies, unless
15 exempted under this section. The administrator shall not require that
16 any supplemental rebate offered by a pharmaceutical manufacturer for
17 prescription drugs purchased for medical assistance program clients
18 under chapter 74.09 RCW be extended to state purchased health care

1 programs other than medical assistance, or to individuals or entities
2 participating in the consortium. The administrator shall explore joint
3 purchasing opportunities with other states.

4 (2) Participation in the purchasing consortium shall be offered as
5 an option beginning January 1, 2006. Participation in the consortium
6 is purely voluntary for units of local government, private entities,
7 labor organizations, and for individuals who lack or are underinsured
8 for prescription drug coverage. The administrator may set reasonable
9 fees, including enrollment fees, to cover administrative costs
10 attributable to participation in the prescription drug consortium.

11 (3) The prescription drug consortium advisory committee is created
12 within the authority. The function of the prescription drug advisory
13 committee is to advise the administrator of the state health care
14 authority on the implementation of the prescription drug purchasing
15 consortium.

16 (4) The prescription drug consortium advisory committee shall be
17 composed of eleven members selected as provided in this subsection.

18 (a) The administrator shall select one member of the prescription
19 drug consortium advisory committee from each list of three nominees
20 submitted by statewide organizations representing the following:

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

24 (ii) One member who is a licensed physician;

25 (iii) One member who is a licensed pharmacist;

26 (iv) One member who is a licensed advanced registered nurse
27 practitioner;

28 (v) One member representing a health carrier licensed under Title
29 48 RCW; and

30 (vi) One member representing unions that represent private sector
31 employees;

32 (b) The administrator shall select two members of the advisory
33 committee from a list of nominees submitted by statewide organizations
34 representing consumers. One of the consumer members shall have
35 knowledge or experience regarding senior citizen prescription drug cost
36 and utilization issues;

37 (c) The administrator shall select two members of the advisory
38 committee from a list of nominees submitted by statewide organizations

1 representing business, one of whom shall represent small businesses who
2 employ fifty or fewer employees and one of whom shall represent large
3 businesses; and

4 (d) The administrator shall select one member who is versed in
5 biologic medicine through research or academia from the University of
6 Washington or Washington State University.

7 (5) The administrator shall consult with the advisory committee on
8 at least a quarterly basis on significant policy decisions related to
9 implementation of the purchasing consortium.

10 (6) This section does not apply to state purchased health care
11 services that are purchased from or through health carriers as defined
12 in RCW 48.43.005, or group model health maintenance organizations that
13 are accredited by the national committee for quality assurance.

14 (7) The state health care authority is authorized to adopt rules
15 implementing this act.

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.14 RCW
17 to read as follows:

18 The prescription drug consortium account is created in the custody
19 of the state treasurer. All receipts from the fees from the
20 prescription drug purchasing consortium created in section 1 of this
21 act must be deposited into the account. Expenditures from the account
22 may be used only for the purposes of section 1 of this act. Only the
23 administrator of the state health care authority or the administrator's
24 designee may authorize expenditures from the account. The account is
25 subject to allotment procedures under chapter 43.88 RCW, but an
26 appropriation is not required for expenditures.

27 NEW SECTION. **Sec. 3.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 4.** If any part of this act is found to be in
32 conflict with federal requirements that are a prescribed condition to
33 the allocation of federal funds to the state, the conflicting part of
34 this act is inoperative solely to the extent of the conflict and with
35 respect to the agencies directly affected, and this finding does not

1 affect the operation of the remainder of this act in its application to
2 the agencies concerned. Rules adopted under this act must meet federal
3 requirements that are a necessary condition to the receipt of federal
4 funds by the state.

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