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HOUSE BILL 1677

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State of Washington

59th Legislature

2005 Regular Session

By Representatives Kessler, Buck, Hunt, DeBolt, Williams, P. Sullivan, Santos, Quall, Ormsby, Linville and Simpson

Read first time 02/01/2005. Referred to Committee on Health Care.

1 AN ACT Relating to the prescription drug assistance foundation;  
2 adding a new section to chapter 41.05 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The purpose of this act is to provide  
5 assistance in accessing prescription drugs to the uninsured residents  
6 of Washington state with incomes below three hundred percent of the  
7 federal poverty level.

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

10 (1) The definitions in this subsection apply throughout this  
11 section unless the context clearly requires otherwise.

12 (a) "Federal poverty level" means the official poverty level based  
13 on family size established and adjusted under Section 673(2) of the  
14 omnibus budget reconciliation act of 1981 (P.L. 97-35; 42 U.S.C. Sec.  
15 9902(2), as amended).

16 (b) "Foundation" means the prescription drug assistance foundation  
17 established in this section, a nonprofit corporation organized under

1 the laws of this state to provide assistance in accessing prescription  
2 drugs to qualified uninsured individuals.

3 (c) "Health insurance coverage including prescription drugs" means  
4 prescription drug coverage under a private insurance plan, the medicaid  
5 program, the state children's health insurance program ("SCHIP"), the  
6 medicare program, the basic health plan, or any employer-sponsored  
7 health plan that includes a prescription drug benefit.

8 (d) "Qualified uninsured individual" means an uninsured person who  
9 is a resident of this state and has an income below three hundred  
10 percent of the federal poverty level.

11 (e) "Uninsured" means an individual who lacks health insurance  
12 coverage including prescription drugs.

13 (2)(a) The administrator shall establish the foundation as a  
14 nonprofit corporation, organized under the laws of this state. The  
15 foundation shall assist qualified uninsured individuals in obtaining  
16 prescription drugs at little or no cost.

17 (b) The foundation shall be administered in a manner that:

18 (i) Begins providing assistance to qualified uninsured individuals  
19 by January 1, 2006;

20 (ii) Defines the population that may receive assistance in  
21 accordance with this section; and

22 (iii) Complies with the eligibility requirements necessary to  
23 obtain and maintain tax-exempt status under federal law.

24 (c) The board of directors of the foundation consists of five  
25 members appointed by the governor to staggered terms of three years.  
26 The governor shall select as members of the board individuals who (i)  
27 will represent the interests of persons who lack prescription drug  
28 coverage; and (ii) have demonstrated expertise in business management  
29 and in the administration of a not-for-profit organization.

30 (d) The foundation shall apply for and comply with all federal  
31 requirements necessary to obtain and maintain tax-exempt status with  
32 respect to the federal tax obligations of the foundation's donors.

33 (e) The foundation is authorized, subject to the direction and  
34 ratification of the board, to receive, solicit, contract for, collect,  
35 and hold in trust for the purposes of this section, donations, gifts,  
36 grants, and bequests in the form of money paid or promised, services,  
37 materials, equipment, or other things tangible or intangible that may

1 be useful for helping the foundation to achieve its purpose. The  
2 foundation may use all sources of public and private financing to  
3 support foundation activities.

4 (f) No liability on the part of, and no cause of action of any  
5 nature, shall arise against any member of the board of directors of the  
6 foundation or against an employee or agent of the foundation for any  
7 lawful action taken by them in the performance of their administrative  
8 powers and duties under this section.

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