SENATE BILL REPORT
SB 6200

As of January 18, 2008

Title: An act relating to prescription drug marketing.

Brief Description: Creating the prescription drug professional education program.

Sponsors: Senators Keiser, Kohl-Welles and Murray.

Brief History:
Committee Activity: Health & Long-Term Care: 1/17/08.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Edith Rice (786-7444)

Background: Agencies administering a state purchased health care program have an obligation to control costs without reducing the quality of care when reimbursing for or purchasing drugs. Towards this end, agencies can participate in the evidence-based prescription drug program established under Washington State law. Participating agencies can prohibit reimbursement for drugs that are determined to be ineffective by the United States Food and Drug Administration. Agencies adopt rules to ensure that less expensive generic drugs will be substituted for brand name drugs where quality of care is not diminished. Agencies may authorize reimbursement for drugs only in economical quantities and negotiate discounts from pharmaceutical manufacturers. They may also consider approval of drugs with lower abuse potential.

The Health Care Authority (HCA) in 2005 was given authority to establish a prescription drug purchasing consortium based on the evidence-based prescription drug program. State purchased health care programs purchase prescription drugs through this consortium. The HCA was to explore joint purchasing opportunities with other states. The prescription drug consortium advisory committee was formed to advise the HCA on implementation of the prescription drug consortium. In addition to reviewing purchase of prescription drugs, the state of Washington has also applied the principles of evidence-based care and cost effective purchasing to the review of medical devices and procedures. This is for state purchased health care programs through the health technology assessment program.

Pharmaceutical company detailing or marketing to physicians is believed by some to have a significant impact on what drugs physicians prescribe to their patients.

Summary of Bill: The HCA will create a prescription drug professional education (PDPE) program. The goal of the PDPE program is to promote evidence-based treatment and use of

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evidence-based prescriptions by health care practitioners participating in state purchased health care programs. These programs include: medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the Department of Social and Health Services; the Department of Health; the Basic Health Plan; the state Health Care Authority; the Department of Labor and Industries; the Department of Corrections; the Department of Veterans Affairs; and local school districts.

The HCA will design the PDPE program with state agencies administering state purchased health care programs, and HCA will consult with national experts. The PDPE program will include education and outreach to prescribers. The program will also include a report card to each prescriber comparing their practices to evidence-based practice standards. The HCA will report to the Legislature annually the impact the PDPE program is having on prescribing practices and the fiscal impact on state-funded health care programs. Prescription drug manufacturers who provide prescription drugs to Washington State Medicaid clients will pay a fee of 5,000 dollars per calendar year to the state to fund implementation of the PDPE program. An account is created with the State Treasurer for implementation of this program and is subject to allotment procedures. Only an HCA administrator can authorize expenditures from this account.

The HCA will establish the PDPE program by January 1, 2009 and begin its annual report to the Legislature starting January 10, 2009. Fee collection from the prescription drug manufacturers will begin April 1, 2009.

Appropriation: None.

Fiscal Note: Requested on January 9, 2008.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This will offset existing expensive practices. Prescription drugs are getting more expensive, often because brand name drugs are used where less expensive drugs would do.

CON: We support evidence-based detailing. We are already highly regulated by the Food and Drug Administration. This may deny access to the best medications available for some conditions. This imposes a tax.

Persons Testifying: PRO: Dr. Art Zoloth, Dr. Rupin Thakker, Natural Physicians Alliance of Puget Sound; Bill Daley, Washington Community Action Network.

CON: Cliff Webster, Pharmaceutical Research and Manufacturers of America.