
SENATE BILL 5565

State of Washington

60th Legislature

2007 Regular Session

By Senators Keiser, Pflug, Zarelli, Prentice, Kohl-Welles, Parlette, McAuliffe, Rasmussen and Marr

Read first time 01/24/2007. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to authorizing purchase of brand name drugs when
2 cost-effective for all state purchased health care programs; and
3 amending RCW 70.14.050.

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

5 **Sec. 1.** RCW 70.14.050 and 2003 1st sp.s. c 29 s 9 are each amended
6 to read as follows:

7 (1) Each agency administering a state purchased health care program
8 as defined in RCW 41.05.011(2) shall, in cooperation with other
9 agencies, take any necessary actions to control costs without reducing
10 the quality of care when reimbursing for or purchasing drugs. To
11 accomplish this purpose, participating agencies may establish an
12 evidence-based prescription drug program.

13 (2) In developing the evidence-based prescription drug program
14 authorized by this section, agencies:

15 (a) Shall prohibit reimbursement for drugs that are determined to
16 be ineffective by the United States food and drug administration;

17 (b) Shall adopt rules in order to ensure that less expensive
18 generic drugs will be substituted for brand name drugs in those
19 instances where the quality of care is not diminished. If the cost of

1 a brand name drug, after receiving discounted prices and rebates, is
2 less than the cost of the generic version of the drug for all agencies
3 participating in the evidence-based prescription drug program, the
4 brand name drug shall be purchased;

5 (c) Where possible, may authorize reimbursement for drugs only in
6 economical quantities;

7 (d) May limit the prices paid for drugs by such means as negotiated
8 discounts from pharmaceutical manufacturers, central purchasing, volume
9 contracting, or setting maximum prices to be paid;

10 (e) Shall consider the approval of drugs with lower abuse potential
11 in substitution for drugs with significant abuse potential;

12 (f) May take other necessary measures to control costs of drugs
13 without reducing the quality of care; and

14 (g) Shall adopt rules governing practitioner endorsement and use of
15 any list developed as part of the program authorized by this section.

16 (3) Agencies shall provide for reasonable exceptions, consistent
17 with RCW 69.41.190, to any list developed as part of the program
18 authorized by this section.

19 (4) Agencies shall establish an independent pharmacy and
20 therapeutics committee to evaluate the effectiveness of prescription
21 drugs in the development of the program authorized by this section.

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