SENATE BILL REPORT
SB 5892

As of February 27, 2009

Title: An act relating to authorizing state purchased health care programs to maximize appropriate prescription drug use in a cost-effective manner.

Brief Description: Concerning prescription drug use in state purchased health care programs.

Sponsors: Senators Keiser and Shin; by request of Governor Gregoire.

Brief History:
Committee Activity: Ways & Means:

SENATE COMMITTEE ON WAYS & MEANS

Staff: Elaine Deschamps (786-7441)

Background: The 2003 Legislature created an evidence-based prescription drug program for state agencies that purchase prescription drugs directly or through reimbursement to pharmacies. Currently, the Department of Social and Health Services medical assistance program, the Health Care Authority's self-insured program, and the Department of Labor and Industries participate in the program's preferred drug list (PDL). The PDL is a list of prescription drug classes that have gone through an evidence-based review process to determine the safety, efficacy, and effectiveness of drug classes. Washington State contracts with the Center for Evidence-Based Policy, Oregon Health and Science University, to independently review the prescription drug classes, and their recommendations are reviewed by the Washington State Pharmacy and Therapeutics (P&T) Committee, an independent group of pharmacy doctors and medical doctors, which then makes recommendations regarding the preferred drugs on the PDL.

The evidence-based prescription program includes provisions that allow the substitution of a preferred drug for a nonpreferred drug in a given therapeutic class, except where a practitioner has indicated the prescription for the nonpreferred drug must be dispensed as written, or if the prescription is for a refill of an antipsychotic, antidepressant, chemotherapy, antiretroviral, or immunosuppressive drug, or for the refill of a immunodulator/antiviral treatment for hepatitis C. When a substitution is made, the pharmacist must notify the prescriber of the specific drug and dose dispensed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The PDL process currently requires that new generic drugs await an updated P&T Committee review of the drug classes before being designated as preferred drugs. Additionally there are some drug classes where both brand-name and generic drugs are included as preferred. Although federal law precludes drug manufacturers from marketing drugs for non-Food and Drug Administration (FDA) approved use, prescribers are allowed to prescribe drugs for non-FDA approved use at their discretion.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill: The preferred drug substitution provisions of the evidence-based prescription drug program are amended in order to increase generic utilization, maximize appropriate drug usage, and reduce pharmaceutical expenditures. State agencies participating in the PDL are provided the authority to pursue at least five strategies toward these ends.

Agencies may impose limited restrictions on an endorsing practitioner's authority to dispense as written in cases where there is evidence of noncompliance when compared to prescribing pattern of the practitioner's peers, and the practitioner has had an opportunity to explain the variation and sufficient time to change these patterns. These provisions also apply to the limited restrictions that agencies may impose on endorsing practitioners' authority to dispense as written for non-FDA approved uses. An endorsing practitioner may prescribe a drug for non-FDA approved use if it is medically necessary.

Agencies may also impose limited restrictions on endorsing practitioners' dispense as written authority for a patient's first course of treatment within a therapeutic class of drugs if there is a less expensive generic drug available and other specific provisions are met. If there is a therapeutic alternative over-the-counter drug available, agencies may immediately designate it as a preferred drug. A new generic drug may be classified as preferred without first submitting the product for review by the P & T committee.

Appropriation: None.

Fiscal Note: Requested on February 5, 2009.

Committee/Commission/Task Force Created: No.

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