

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1565**

63rd Legislature  
2013 Regular Session

Passed by the House March 11, 2013  
Yeas 97 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 11, 2013  
Yeas 48 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1565** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1565

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Passed Legislature - 2013 Regular Session

State of Washington                      63rd Legislature                      2013 Regular Session

By Representatives Harris, Green, Jinkins, Cody, Ryu, and Morrell

Read first time 01/30/13. Referred to Committee on Appropriations.

1            AN ACT Relating to funding the prescription monitoring program from  
2 the medicaid fraud penalty account; amending RCW 70.225.020 and  
3 74.09.215; and creating a new section.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that:

6            (1) The prescription monitoring program contributes to patient  
7 safety and reduction in drug errors for all patients, including  
8 medicaid beneficiaries in Washington state. Further, the prescription  
9 monitoring program provides the critical function of reducing costs  
10 borne by medicaid and provides for the detection of fraud in the  
11 medicaid system.

12            (2) Because of the nexus between medicaid, medicaid fraud, and cost  
13 reductions, the funding for the operations and management of the  
14 prescription monitoring program should be funded entirely from the  
15 medicaid fraud penalty account under RCW 74.09.215, with the option of  
16 funding the prescription monitoring program through voluntary  
17 contributions from private individuals and corporations as defined  
18 under Title 23, 23B, 24, or 25 RCW.

1           **Sec. 2.** RCW 70.225.020 and 2012 c 192 s 1 are each amended to read  
2 as follows:

3           (1) (~~When sufficient funding is provided for such purpose through~~  
4 ~~federal or private grants, or is appropriated by the legislature,~~) The  
5 department shall establish and maintain a prescription monitoring  
6 program to monitor the prescribing and dispensing of all Schedules II,  
7 III, IV, and V controlled substances and any additional drugs  
8 identified by the board of pharmacy as demonstrating a potential for  
9 abuse by all professionals licensed to prescribe or dispense such  
10 substances in this state. The program shall be designed to improve  
11 health care quality and effectiveness by reducing abuse of controlled  
12 substances, reducing duplicative prescribing and overprescribing of  
13 controlled substances, and improving controlled substance prescribing  
14 practices with the intent of eventually establishing an electronic  
15 database available in real time to dispensers and prescribers of  
16 controlled substances. As much as possible, the department should  
17 establish a common database with other states. This program's  
18 management and operations shall be funded entirely from the funds in  
19 the account established under RCW 74.09.215. Nothing in this chapter  
20 prohibits voluntary contributions from private individuals and business  
21 entities as defined under Title 23, 23B, 24, or 25 RCW to assist in  
22 funding the prescription monitoring program.

23           (2) Except as provided in subsection (4) of this section, each  
24 dispenser shall submit to the department by electronic means  
25 information regarding each prescription dispensed for a drug included  
26 under subsection (1) of this section. Drug prescriptions for more than  
27 one day use should be reported. The information submitted for each  
28 prescription shall include, but not be limited to:

- 29           (a) Patient identifier;
- 30           (b) Drug dispensed;
- 31           (c) Date of dispensing;
- 32           (d) Quantity dispensed;
- 33           (e) Prescriber; and
- 34           (f) Dispenser.

35           (3) Each dispenser shall submit the information in accordance with  
36 transmission methods established by the department.

37           (4) The data submission requirements of subsections (1) through (3)  
38 of this section do not apply to:

1 (a) Medications provided to patients receiving inpatient services  
2 provided at hospitals licensed under chapter 70.41 RCW; or patients of  
3 such hospitals receiving services at the clinics, day surgery areas, or  
4 other settings within the hospital's license where the medications are  
5 administered in single doses;

6 (b) Pharmacies operated by the department of corrections for the  
7 purpose of providing medications to offenders in department of  
8 corrections institutions who are receiving pharmaceutical services from  
9 a department of corrections pharmacy, except that the department of  
10 corrections must submit data related to each offender's current  
11 prescriptions for controlled substances upon the offender's release  
12 from a department of corrections institution; or

13 (c) Veterinarians licensed under chapter 18.92 RCW. The  
14 department, in collaboration with the veterinary board of governors,  
15 shall establish alternative data reporting requirements for  
16 veterinarians that allow veterinarians to report:

17 (i) By either electronic or nonelectronic methods;

18 (ii) Only those data elements that are relevant to veterinary  
19 practices and necessary to accomplish the public protection goals of  
20 this chapter; and

21 (iii) No more frequently than once every three months and no less  
22 frequently than once every six months.

23 (5) The department shall continue to seek federal grants to support  
24 the activities described in chapter 259, Laws of 2007. The department  
25 may not require a practitioner or a pharmacist to pay a fee or tax  
26 specifically dedicated to the operation and management of the system.

27 **Sec. 3.** RCW 74.09.215 and 2012 c 241 s 103 are each amended to  
28 read as follows:

29 The medicaid fraud penalty account is created in the state  
30 treasury. All receipts from civil penalties collected under RCW  
31 74.09.210, all receipts received under judgments or settlements that  
32 originated under a filing under the federal false claims act, and all  
33 receipts received under judgments or settlements that originated under  
34 the state medicaid fraud false claims act, chapter 74.66 RCW, must be  
35 deposited into the account. Moneys in the account may be spent only  
36 after appropriation and must be used only for medicaid services, fraud

1 detection and prevention activities, recovery of improper payments,  
2 ((and)) for other medicaid fraud enforcement activities, and the  
3 prescription monitoring program established in chapter 70.225 RCW.

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