**5857-S.E4 AMS CLEV S4795.1 - NOT FOR FLOOR USE**

**4ESSB 5857** - S AMD **654**

By Senator Cleveland

**OUT OF ORDER 02/17/2016**

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec.**  (1) The office of the insurance commissioner shall conduct a study of the pharmacy chain of supply. The commissioner or his or her designee may convene one or more stakeholder work groups to address the components of the study, which must include but are not limited to the following:

(a) Review the entire drug supply chain including plan and pharmacy benefit manager reimbursements to network pharmacies, wholesaler or pharmacy service administrative organization prices to network pharmacies, and drug manufacturer prices to network pharmacies;

(b) Discuss suggestions that recognize the unique nature of small and rural pharmacies and possible options that support a viable business model that do not increase the cost of pharmacy products;

(c) Review the availability of all drugs on the maximum allowable cost list or any similar list for pharmacies;

(d) Review the telephone contacts and standards for response times and availability; and

(e) Review the pharmacy acquisition cost from national or regional wholesalers that serve pharmacies in Washington, and consider when or whether to make an adjustment and under what standards. The review may assess the timing of pharmacy purchases of products and the relative risk of list price changes related to the timing of dispensing the products.

(2) The study must be delivered to the legislature by November 1, 2016."

**4ESSB 5857** - S AMD **654**

By Senator Cleveland

**OUT OF ORDER 02/17/2016**

On page 1, line 2 of the title, after "managers;" strike the remainder of the title and insert "and creating a new section."

EFFECT: Removes all provisions of the underlying bill and directs the Office of the Insurance Commissioner to study the pharmacy supply chain and the impact on consumers and report back to the legislature by November 1, 2016.