

4ESSB 5857 - S AMD 654
By Senator Cleveland

OUT OF ORDER 02/17/2016

1 Strike everything after the enacting clause and insert the
2 following:

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

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

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

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

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

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

26 (2) The study must be delivered to the legislature by November 1,
27 2016."

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1 On page 1, line 2 of the title, after "managers;" strike the
2 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.

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