HOUSE BILL REPORT
ESSB 5441

As Passed House - Amended:
April 14, 2015

Title: An act relating to patient medication coordination.

Brief Description: Addressing patient medication coordination.

Sponsors: Senate Committee on Health Care (originally sponsored by Senators Rivers, Frockt, Parlette, Bailey, Conway, Keiser and Benton).

Brief History:
Committee Activity:
Health Care & Wellness: 3/18/15, 3/26/15 [DPA].
Floor Activity:
Passed House - Amended: 4/14/15, 97-0.

Brief Summary of Engrossed Substitute Bill
(As Amended by House)

- Requires health benefit plans that cover prescription drugs to implement a medication synchronization policy and permit an enrollee to fill a drug for more or less than a one-month supply if the enrollee requests medication synchronization for a new medication.
- Requires health benefit plans to adjust enrollee cost-sharing for a drug dispensed for less than the standard refill amount for the purpose of synchronizing medications.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

Staff: Alexa Silver (786-7190).

Background:

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.

Medication synchronization or alignment programs involve coordinating a patient's prescription medications to be refilled on the same day in a given time period.

The Centers for Medicare and Medicaid Services (CMS) requires Medicare Part D plans to apply a daily cost-sharing rate to prescriptions dispensed for less than a full month's supply if the drug is in the form of a solid oral dose and may be dispensed for less than the approved month's supply under applicable law. For drugs that incur a copayment, CMS rules require the plan to apply cost-sharing by multiplying the daily cost-sharing rate by the days' supply actually dispensed when the beneficiary receives less than the approved month's supply. For drugs that incur a coinsurance percentage, the plan must apply the coinsurance percentage for the drug to the days' supply actually dispensed.

Several states have introduced legislation to require a prorated daily cost-sharing rate for prescriptions dispensed for less than a 30-day supply. In Oregon, legislation enacted last year requires health plans to implement a synchronization policy for aligning the refill dates of a patient's prescription drugs so that drugs refilled at the same frequency may be refilled concurrently.

Summary of Amended Bill:

If a health benefit plan (including a plan offered to public employees and their dependents) covers prescription drugs and is issued or renewed after December 31, 2015, the plan must implement a medication synchronization policy for dispensing prescription drugs to the plan's enrollees. "Medication synchronization" is the coordination of medication refills for a patient taking two or more medications for a chronic condition such that the patient's medications are refilled on the same schedule for a given time period.

Upon the request of an enrollee, a prescribing provider or pharmacist must:

- determine that filling or refilling the prescription is in the best interests of the enrollee, taking into account the appropriateness of synchronization for the drug;
- inform the enrollee that the prescription will be filled to less than the standard refill amount for the purpose of synchronizing the enrollee's medications; and
- deny synchronization on the grounds of threat to patient safety or suspected fraud or abuse.

If the enrollee requests medication synchronization for a new prescription, the plan must permit filling the drug for either: (1) less than a one-month supply if synchronization will require more than a 15-day supply of the drug; or (2) more than a one-month supply if synchronization will require a 15-day supply of the drug or less.

The plan must adjust enrollee cost-sharing for a drug subject to coinsurance or with a copayment if the drug is dispensed for less than the standard refill amount for the purpose of synchronizing the medications. For a drug with a copayment, the plan must adjust cost-sharing by: (1) discounting the copayment rate by 50 percent; (2) discounting the copayment rate based on 15-day increments; or (3) any other method that meets the intent of the law and is approved by the Office of the Insurance Commissioner.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Medication synchronization is targeted toward patients with long-term maintenance of chronic conditions. Medication synchronization helps patients with compliance, especially those with mental health issues and those needing assistance with transportation to the pharmacy. Adherence is paramount to keep patients out of emergency rooms, hospitals, and doctors' offices. A huge barrier to care is having to come to the pharmacy multiple times a month to pick up medications because of insurance. Patients may opt in if medication synchronization is deemed appropriate. Certain medications and container sizes would not comply. Cancer patients require many medications. It is easier to pick medications up at same time because multiple trips to the pharmacy are difficult for a caregiver or a person going through treatment.

The original form of this bill was better than its current form. The current version of the bill only addresses cost-sharing with coinsurance, but it's the copayment at the counter where people have difficulty. If a patient has a copayment, the pharmacy can fill the prescription for a shorter amount to line it up, but the patient is charged the full copayment. The copayment should be prorated to avoid creating a financial burden on the patient. Oregon passed a bill that did not work well for patients because there was not much incentive for pharmacies to synchronize medications.

(Neutral) This bill was improved by the Senate. The original version of the bill did not take into account that there are circumstances under which coordination is inappropriate, such as controlled substances, infused medications, and biologics. It is systematically not possible, without an enormous expenditure of money, for plans to prorate copayments, which are a fixed dollar amount. Prorating coinsurance is not problematic. This bill is a compromise because it allows prorating coinsurance, but not copayments. Implementation of a medication synchronization policy will minimize the number of problems faced by patients and obviate the need to revise cost-sharing. Group Health Cooperative has a policy that allows a patient to refill a prescription once he or she has finished three-quarters of it, and many patients refill online and by mail. These policies avoid most medication synchronization issues. If all carriers adopted and communicated similar policies, it would accomplish the aims of this bill without additional costs. Seniors are covered by Medicare and are not within the scope of this bill.

(With concerns) Carriers have policies in place that allow for early refills of prescriptions, either for synchronization or because prescriptions get lost, damaged, or spilled. This bill is unnecessary and would layer on existing policies.

(Opposed) None.

Persons Testifying: (In support) Senator Rivers, prime sponsor; Mary McHale, American Cancer Society and Cancer Action Network; Jennifer VandeVelde, National Patient Advocate

Foundation; Sean Graham, Washington State Medical Association; Carolyn Logue, Washington Food Industry Association; and Jeff Rochon, Washington State Pharmacy Association.

(Neutral) Chris Bandoli, Regence Blue Shield; Len Sorrin, Premera Blue Cross; and Chris Marr, Group Health Cooperative.

(With concerns) Sydney Smith Zvara, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying: None.