

# HOUSE BILL REPORT

## ESSB 5557

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**As Passed House - Amended:**  
April 14, 2015

**Title:** An act relating to services provided by pharmacists.

**Brief Description:** Addressing services provided by pharmacists.

**Sponsors:** Senate Committee on Health Care (originally sponsored by Senators Parlette, Conway, Rivers, Dammeier, Becker, Frockt, Schoesler, Keiser, Jayapal, Warnick and Honeyford).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/18/15, 3/26/15 [DPA].

**Floor Activity:**

Passed House - Amended: 4/14/15, 93-4.

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

- Requires a health carrier to reimburse for services provided by a pharmacist acting within his or her scope of practice under certain circumstances.
- Creates an advisory committee to make recommendations on the implementation of the requirement that health carriers reimburse for services provided by pharmacists.
- Connects the Every Category of Provider Law to the essential health benefits instead of the Basic Health Plan.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 13 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Clibborn, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

**Minority Report:** Do not pass. Signed by 1 member: Representative Caldier.

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*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.*

**Staff:** Jim Morishima (786-7191).

**Background:**

The Every Category of Provider Law.

Under Washington's "Every Category of Provider Law," health carriers must permit every category of health care provider to provide health services or care for conditions included in the Basic Health Plan, a discontinued state program that provided coverage to low-income individuals for health services, including physician services, inpatient and outpatient hospital services, and prescription drugs and medication. The Every Category of Provider Law applies only if:

- the provision of the health services or care is within the provider's scope of practice; and
- the provider agrees to abide by standards relating to provision, utilization review, and cost containment; management and administrative procedures; and provision of cost-effective and clinically efficacious health services.

Pharmacists under the Every Category of Provider Law.

Pharmacists are licensed by the Pharmacy Quality Assurance Commission and may provide a variety of services, including:

- interpreting prescription orders;
- compounding, dispensing, labeling, administering, and distributing drugs and devices;
- monitoring drug therapy and use;
- initiating or modifying drug therapy in accordance with written guidelines or protocols established by a prescribing authority;
- participating in drug utilization reviews and drug product selection;
- properly and safely storing and distributing drugs and devices; and
- providing information on legend drugs.

In 2013 an informal Attorney General Opinion stated that pharmacists are health care providers for purposes of the Every Category of Provider law and therefore must be compensated for services included in the Basic Health Plan that are within the pharmacist's scope of practice if the pharmacist abides by standards relating to cost containment, management, and clinically efficacious health services.

Essential Health Benefits.

The federal Patient Protection and Affordable Care Act requires individual and small group market health plans to offer 10 categories of "essential health benefits" both inside and outside of Washington's health benefit exchange. The essential health benefits are established on a state-by-state basis using a supplemented benchmark plan chosen by each state. Washington's benchmark plan is the largest small group market plan in the state.

**Summary of Amended Bill:**

For the 2016 plan year, health plans that delegate agreements to contracted health care facilities must accept credentialing for pharmacists employed or contracted by those facilities. Health plans must reimburse facilities for covered services provided by network pharmacists within the pharmacists' scope of practice per negotiations with the facility.

Health plans issued or renewed on or after January 1, 2017, must include an adequate number of pharmacists in their networks of participating providers and may not deny benefits for health care services provided by licensed pharmacists if:

- the service was within the pharmacist's lawful scope of practice;
- the plan would have provided benefits if the services had been provided by a physician, osteopathic physician, advanced registered nurse practitioner, physician's assistant, or osteopathic physician's assistant; and
- the pharmacist is included in the plan's network (mere participation of a pharmacy in the plan's drug benefit does not constitute inclusion in the network).

The Insurance Commissioner must designate a lead organization to establish and facilitate an advisory committee to implement the health plan reimbursement requirements for pharmacists. The advisory committee must consist of at least the following stakeholders:

- the Insurance Commissioner or designee;
- the Secretary of Health or designee;
- an organization representing pharmacists;
- an organization representing physicians;
- an organization representing hospitals;
- a hospital conducting internal credentialing of pharmacists;
- a clinic with pharmacists providing medical services;
- a community pharmacy with pharmacists providing medical services;
- the two largest health carriers in Washington based on enrollment;
- a health care system that coordinates care and coverage;
- a school or college of pharmacy in Washington;
- a representative from a pharmacy benefit manager or organization that represents pharmacy benefit managers; and
- other representatives appointed by the Insurance Commissioner.

The lead organization and advisory committee must develop best practice recommendations on standards for credentialing, privileging, billing, and payment processes to ensure pharmacists are adequately included and appropriately utilized in participating provider networks of health plans. In developing the standards, the advisory committee must also discuss implementation-related topics including current credentialing requirements for pharmacists, existing processes for similarly situated health care providers, pharmacist training, care coordination, and the role of pharmacist prescriptive authority agreements.

The advisory committee must present its recommendations to the Insurance Commissioner and the Department of Health no later than December 1, 2015. If necessary, the Insurance Commissioner and the Department of Health may adopt rules to implement the standards developed by the lead organization and the advisory committee. The rules must be consistent with the advisory committee's recommendations. The advisory committee must remain intact to assist the Insurance Commissioner and the Department of Health in adopting the rules.

For purposes of the Every Category of Provider Law, health carriers are required to reimburse every category of provider for services or care included in the essential health benefits benchmark plan, instead of the Basic Health Plan, if the plan covers such services or care.

**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) Given a recent informal Attorney General's Opinion on pharmacists and the Every Category of Provider Law, the time is right to move this bill forward. The role of pharmacists is expanding beyond dispensing medications; they are part of a team to manage medications and reduce health care costs. Pharmacists have post-baccalaureate educations and engage in collaborative drug therapy based on one-on-one agreements with physicians. Pharmacists help treat a variety of diseases, including high blood pressure, clotting disorders, diabetes, and chronic pain. This is a patient access issue—having a pharmacist as part of the care team can help the team treat patients with complex conditions, can help ensure that patients are treated in their communities, and can lower costs. Pharmacists should be part of team-based health systems such as accountable care organizations. Pharmacists have been denied access and reimbursement just because they are pharmacists. Many pharmacists practice in clinical settings and do not dispense medications, but reimbursement is only allowed for pharmacists who dispense. Other providers who provide identical treatment to patients are reimbursed for their services, while pharmacists are not.

(With concerns) Pharmacists have a valuable role to play in the health care system, but this bill lacks specificity to guide health carriers through implementation. Health carriers are willing to expand their networks to include pharmacists, but it will take time to credential providers and build a network. This should be done carefully. This bill should be delayed by a year so that a structured stakeholder workgroup process can take place. This bill appears to extend the essential health benefits requirement to large group market health plans.

(Opposed) None.

(Other) The problems pharmacists are facing are understandable, but this is a radical concept. Washington would be the first state to have a law like this in place. There should be a stakeholder process to discuss how this bill would play out in the real world.

**Persons Testifying:** (In support) Senator Parlette, prime sponsor; Jeff Rochon and Jenny Arnold, Washington State Pharmacy Association; Glenn Adams, Confluence Health; Rick Weaver, Comprehensive Mental Health Services; Ian Corbridge, Washington State Hospital Association; and Don Downing.

(With concerns) Sydney Smith Zvara, Association of Washington Healthcare Plans; Chris Bandoli, Regence Blue Shield; Len Sorrin, Premera Blue Cross; and Chris Marr, Group Health Cooperative.

(Other) Sean Graham, Washington State Medical Association.

**Persons Signed In To Testify But Not Testifying:** None.