

# SENATE BILL REPORT

## SB 6233

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As Reported by Senate Committee On:  
Health & Long Term Care, February 1, 2018

**Title:** An act relating to regulating the use of step therapy protocols by providing a simple and expeditious process for exceptions to the protocols that the health care provider deems not in the best interests of the patient.

**Brief Description:** Addressing step therapy protocols for prescription drugs.

**Sponsors:** Senators Cleveland, Rivers, Kuderer, Fain and Conway.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/18/18, 2/01/18 [DPS-WM].

**Brief Summary of First Substitute Bill**

- Directs the Washington State Institute for Public Policy (WSIPP) to study whether creating exceptions to step therapy would improve health outcomes.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** That Substitute Senate Bill No. 6233 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Bailey, Becker, Conway, Fain, Keiser, Mullet and Van De Wege.

**Staff:** Greg Attanasio (786-7410)

**Background:** Step therapy is a form of prior authorization whereby health carriers approve a prescription drug or class of drugs for a medical condition based on cost effectiveness and treatment best practices. Step therapy requires the patient to begin treatment with the approved drug. If the patient fails to respond to the drug or experiences an adverse effect, then coverage is allowed for another drug prescribed by the patient's health care provider.

In Washington, health carriers may design their prescription drug benefit plans to include cost control measures, including requiring preferred drug substitution in a given therapeutic

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class if the restriction is for a less expensive, equally therapeutic alternative product available to treat the condition. Carriers must also establish a process that a provider and an enrollee may use to request substitution for a prescribed therapy, drug, or medication that is not on the formulary. This process may not unreasonably restrict an enrollee's access to non-formulary or alternative medicines for conditions that are not responsive to treatment. Carriers must also have a process for an enrollee to request an expedited review based on exigent circumstances such as experiencing a health condition that may jeopardize the enrollee's life or when an enrollee is undergoing a current course of treatment using a non-formulary drug.

**Summary of Bill (First Substitute):** WSIPP must conduct a literature review of step therapy protocol usage and provide recommendations to the appropriate committees of the Senate and House of Representatives as to whether creating exceptions based on medical necessity would improve health outcomes and reduce adverse events. WSIPP may analyze any criteria deemed necessary to determine the effectiveness of creating exceptions for step therapy including seeking input from interested parties. The report with policy recommendations must be submitted by December 1, 2018.

**EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute):**

- Converts the original bill into a study and directs WSIPP to study whether creating exceptions to step therapy would improve health outcomes.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: The bill will ensure stability for patients who rely on a certain course of treatment. The consequences of step therapy can be severe for a number of medical conditions. Epilepsy patients who do not respond to a drug on step therapy can suffer severe injuries that result in emergency room visits, hospitalization, and additional medical bills. Patients with Crohn's disease can suffer severe side effects when taking an ineffective drug. Psoriasis patients who take ineffective drugs can develop psoriatic arthritis. Patients should have access to the appropriate drugs they need before they develop more significant medical problems.

CON: Carriers understand that step therapy is not appropriate for every patient, but exemptions to step therapy are already available.

**Persons Testifying:** PRO: Senator Annette Cleveland, Prime Sponsor; Kimberly Patton, citizen; Andrew Buckels, citizen; Gordon MacDonald, Volunteer, Crohn's and Colitis; Lisa Bayautet, citizen; Roman Daniels-Brown, Washington State Medical Association; Joan Miller, Washington Council for Behavioral Health.

CON: Kristine Brewer, Association of Washington Healthcare Plans.

**Persons Signed In To Testify But Not Testifying:** No one.