
Appropriations Committee

HB 2438

Brief Description: Concerning establishment of the prescription opioid impact account.

Sponsors: Representatives Kilduff, Davis, Orwall, Robinson, Kloba, Thai, Peterson, Macri, Ormsby, Pollet, Wylie and Doglio.

Brief Summary of Bill

- Creates the Prescription Opioid Impact Account (Account) for programs and activities to address opioid misuse and abuse.
- Imposes an impact fee of one cent per Morphine Milligram Equivalent upon opioid manufacturers to be collected by the Department of Revenue and deposited into the Account.
- Prohibits funding from the Account to counties that have not enacted a sales and use tax for chemical dependency, mental health, and therapeutic courts.

Hearing Date: 1/22/20

Staff: Linda Merelle (786-7092).

Background:

Prescription Monitoring Program

The Prescription Monitoring Program (PMP) is a secure online database. Through it, health practitioners have access to information regarding their patients before prescribing or dispensing any Schedule II, III, IV, and V controlled substances. The PMP allows the practitioner to look for duplicate prescriptions, possible misuse, drug interactions and other potential issues.

Morphine Milligram Equivalent

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.

A Morphine Milligram Equivalent (MME) is a single dosage form an opioid multiplied by its strength per unit relative to the strength of morphine. In 2019, 1.7 billion opioid MMEs were dispensed in Washington state.

Chemical Dependency or Mental Health Sales Tax

In 2005, the Legislature authorized counties to impose a sales and use tax at the rate of one-tenth of one percent. The monies collected pursuant to this tax must be used solely for providing chemical dependency or mental health treatment programs and for therapeutic court programs and services. The provisions governing adoption of the tax are codified in RCW 82.14.460. Twenty-four counties have adopted a tax pursuant to this provision.

Summary of Bill:

Prescription Opioid Impact Fee

The Prescription Opioid Impact Fee (Impact Fee) applies to manufacturers when more than 100,000 MMEs of their product are dispensed within one calendar quarter in Washington state. If this threshold is met, the manufacturer must pay one cent per MME for a prescription opioid dispensed and reported in the PMP. The Department of Revenue (DOR) must calculate the fee, based upon data from the PMP, and invoice manufacturers quarterly. The Impact Fee is due within 45 days of the invoice. If an invoice is not paid within 45 days, the DOR must assess a penalty of \$100 per day or 10 percent of the invoice fee, whichever is greater.

The DOR has rulemaking authority, and the Office of the Attorney General is authorized to bring actions on behalf of the state to enforce the provisions of this act.

Prescription Opioid Impact Account

The Prescription Opioid Impact Account (Account) is created and its revenue is provided by the Impact Fee. The Account is appropriated, and the expenditures are to primarily fund programs and activities to prevent opioid misuse and abuse, to prevent opioid overdose and overdose-related deaths, and to identify and treat opioid use disorder. These expenditures may be used by the Department of Health (DOH) for activities within the agency or through grants to other state agencies, counties, or cities. Counties that have not levied the sales and use tax for chemical dependency or mental health treatment services or therapeutic courts, authorized under RCW 82.14.460, may not receive funding from the Account.

The Account may also be used to reimburse amounts appropriated to the DOH for costs necessary to modify the PMP to implement the fee imposed under this act.

Appropriation: None.

Fiscal Note: Requested on January 14, 2020.

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