
Health Care & Wellness Committee

SSB 5184

Brief Description: Concerning prescription coverage and the use of mail order services.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Kuderer, Cleveland and Darneille).

Brief Summary of Substitute Bill

- Requires health carriers to include in any contract with a pharmacy benefit manager (PBM) a requirement that the PBM receive enrollee authorization prior to filling prescriptions through a nonresident pharmacy.
- Requires health plans to allow enrollees to opt out of the mandatory use of a nonresident pharmacy.
- Requires health plans and nonresident pharmacies to provide notices to health plan enrollees about the use of nonresident pharmacies.

Hearing Date: 3/26/19

Staff: Kim Weidenaar (786-7120).

Background:

"Nonresident pharmacies" are defined as pharmacies located outside of Washington that ship, mail, or deliver prescription drugs, including both controlled substances and legend drugs, and devices into the state. Nonresident pharmacies are licensed by the Department of Health.

A "Pharmacy benefit manager" is defined as a person that contracts with pharmacies on behalf of an insurer, a third-party payor, or the prescription drug purchasing consortium to: (1) process claims for prescription drugs or medical supplies or provide retail network management for pharmacies or pharmacists; (2) pay pharmacies or pharmacists for prescription drugs or medical supplies; or (3) negotiate rebates with manufacturers.

Summary of Bill:

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.

Health plans issued on or after January 1, 2020, that include prescription drug coverage, must protect enrollees from the unintentional use of or enrollment in a nonresident pharmacy.

Health carriers must include in any contract with a pharmacy benefit manager (PBM), a requirement that the PBM require a contracted nonresident pharmacy to obtain affirmative authorization from a health plan enrollee, in writing or by electronic communication, prior to filling the enrollee's prescription through a nonresident pharmacy or billing an enrollee's health plan. The authorization may permit the use of a nonresident pharmacy for the plan year.

Nonresident pharmacies must include instructions for how to terminate use of their services in each pharmaceutical shipment. Health plans must include information in their health plan booklets explaining the requirement to obtain affirmative authorization from the enrollee prior to filling a prescription through a nonresident pharmacy. Health plans must allow enrollees to opt out of mandatory use of a nonresident pharmacy. Health plans may not, as a condition of payment or reimbursement, require an enrollee to purchase pharmacy services exclusively through a nonresident pharmacy.

Nonresident pharmacies with a specialty pharmacy accreditation from a nationally recognized accreditation entity are exempt from the requirements to obtain affirmative authorization and provide instructions on terminating the use of services, and the prohibitions on health plans requiring an enrollee to purchase pharmacy services exclusively through a nonresident pharmacy do not apply to nonresident pharmacies with a specialty accreditation.

Appropriation: None.

Fiscal Note: Available.

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