

SENATE BILL REPORT

SB 6087

As of January 20, 2020

Title: An act relating to cost-sharing requirements for coverage of insulin products.

Brief Description: Imposing cost-sharing requirements for coverage of insulin products.

Sponsors: Senators Keiser, Conway, Das, Hasegawa, Hunt, Kuderer, Pedersen, Randall, Rolfes, Stanford, Saldaña, Wilson, C. and Sheldon.

Brief History:

Committee Activity: Health & Long Term Care: 1/17/20.

Brief Summary of Bill

- Limits out-of-pocket expenses for a 30-day supply of insulin to \$100.
- Requires the Health Care Authority to monitor the price of insulin.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Greg Attanasio (786-7410)

Background: According to data from the All Payer Claims Database (APCD), in 2018, approximately 90,000 Washington residents filled 771,000 prescriptions for insulin, which represents a 15 percent increase since 2014. This number does not include Veteran's Administration plans and some self-insured plans not captured by the APCD.

Out-of-pocket expenses for Washington enrollees of Medicaid, Medicare, and commercial plans totaled \$31 million in 2018. Out-of-pocket expenses vary by payer, with Medicare enrollees paying the most and Medicaid enrollees paying little to nothing. Out-of-pocket expenses in the commercial market vary by plan type and design. Health Care Authority (HCA) data indicates that for Public Employees' Benefits Board enrollees covered under the Uniform Medical Plan, those enrolled in the Classic or Plus plans pay approximately \$35 per month, while those enrolled in the consumer driven health plan pay an average of \$206 per month.

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.

Summary of Bill: Health plans issued or renewed on or after January 1, 2021 must cap out-of-pocket expenses for a 30-day supply of insulin at \$100, and HCA must monitor the price of insulin.

This act expires upon implementation of a centralized state insulin purchasing program.

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: PRO: No one should die because they cannot afford insulin and this bill would provide some relief to those who need it most. Access to insulin is a matter of life and death and the price has nearly tripled in the last three years. Rationing of insulin is very dangerous and even small variations in dosage can be harmful. There have been no substantial premium increases after a similar law passed in Colorado and 680,000 people in Washington would receive financial relief.

CON: The goal of health plans is to keep members healthy, but they must also try to keep premiums low for all members. A copay cap will not address underlying cost drivers. The consequence will be increased costs and will not stop manufacturers from raising prices. It would set a dangerous precedent for other high cost drugs, including high deductible plans in the bill might disqualify them from federal tax benefits. Adding an adjustable out-of-pocket cap tied to the underlying price would be an improvement to the bill.

OTHER: The Office of the Insurance Commission has concerns about how the increased costs will affect premiums.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Alan Burke, Washington State School Retirees' Association; Kevin Wren, Washington Insulin4All; Nicole Vukonich, citizen; Amber Markland, citizen; Levi Markland, citizen; Marcee Stone-Vekich, citizen; Dr. Sherry Weinberg, Physicians for a National Health Plan; Ronnie Shure, Pharmacist, Health Care for All Washington; Marcia Stedman, Health Care for All Washington; Claire Symons, American Diabetes Association; Cathy MacCaul, AARP.

CON: Chris Bandoli, Association of Washington Healthcare Plans; Mel Sorensen, America's Health Insurance Plans; Courtney Smith, Kaiser Permanente; Gary Strannigan, Premera Blue Cross; Carrie Tellefson, Regence Blue Shield.

OTHER: Lonnie Johns-Brown, Office of the Insurance Commissioner.

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