

SENATE BILL REPORT

SB 6087

As Reported by Senate Committee On:
Health & Long Term Care, January 22, 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, 1/22/20 [DPS-WM, w/oRec].

Brief Summary of First Substitute 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

Majority Report: That Substitute Senate Bill No. 6087 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Conway, Dhingra, Frockt, Keiser, Muzzall and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senator Becker.

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

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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.

Summary of Bill (First Substitute): 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.

EFFECT OF CHANGES MADE BY HEALTH & LONG TERM CARE COMMITTEE (First Substitute): For every \$100 increase in the cost of insulin for a health plan, the plan may request to increase the cost-sharing cap by five dollars.

High deductible plans will be exempt from the cost-sharing cap in the event federal guidance changes concerning insulin a preventative care.

The cost-sharing cap to the Uniform Medical Plan is applied.

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: 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 the 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 increase 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.