

# SENATE BILL REPORT

## SB 6113

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As Reported by Senate Committee On:  
Health & Long Term Care, January 22, 2020

**Title:** An act relating to creation of a central insulin purchasing program.

**Brief Description:** Creating a central insulin purchasing program.

**Sponsors:** Senators Keiser, Das, Hasegawa, Hunt, Kuderer, Pedersen, Randall, Rolfes, Van De Wege and Wilson, C.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/17/20, 1/22/20 [DP-WM, w/oRec].

**Brief Summary of Bill**

- Establishes a work group to design a purchasing strategy to allow the Northwest Prescription Drug Consortium to act as the single purchaser of insulin for the state

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; Conway, Dhingra, Frockt, Keiser and Van De Wege.

**Minority Report:** That it be referred without recommendation.

Signed by Senators O'Ban, Ranking Member; Becker and Muzzall.

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

**Background:** Pursuant to statute, the Health Care Authority (HCA) established a prescription drug purchasing consortium. State-purchased health care programs must purchase prescription drugs through the consortium, and local governments, private entities, labor organizations, uninsured, and underinsured residents may voluntarily participate. In 2006, Washington State and Oregon formed the Northwest Prescription Drug Consortium (Consortium) to expand their purchasing power. The Consortium offers access to retail pharmacy discounts, pharmacy benefit management services, rebate management services,

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and a prescription discount card for uninsured residents. Statutory authority allows for drug purchasing cost controls including negotiating discounts with manufacturers, central purchasing, volume contracting, and setting maximum prices to be paid.

**Summary of Bill:** The Central Insulin Purchasing Work Group is established with representatives from the following organizations appointed by the Governor:

- the Consortium;
- the Pharmacy Quality Assurance Commission;
- an association representing independent pharmacies;
- an association representing chain pharmacies;
- each health carrier offering at least one health plan in the commercial market in the state;
- each health carrier offering at least one health plan to state or public school employees in the state;
- an association representing health carriers;
- the Public Employees' Benefits Board or the School Employees' Benefit Board;
- HCA;
- a pharmacy benefit manager that contracts with state purchasers;
- a drug distributor or wholesaler that distributes or sells insulin in the state;
- a state agency that purchases health care services and drugs for a selected population;
- and
- the Attorney General's Office.

The work group must design a purchasing strategy to allow the Consortium to act as the single purchaser for insulin in the state. The work group must submit a report to the Legislature detailing the plan by December 1, 2020. To the extent permitted under current law, the Consortium may begin implementation of the plan without further legislative direction.

**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: There is an urgent need for the state to provide insulin to residents without out-of-pocket expenses. The cost of covering insulin is far less than the costs incurred by all when a patients do not have insulin.

**Persons Testifying:** PRO: Senator Karen Keiser, Prime Sponsor; Cindi Laws, Health Care for All Washington.

**Persons Signed In To Testify But Not Testifying:** PRO: Marcia Stedman, Health Care for All Washington; Ronnie Shure, Pharmacist, Health Care for All Washington; Sherry Weinberg, MD, Physicians for a National Health Plan; Cathy MacCaul, AARP.