
HOUSE BILL 2662

State of Washington

66th Legislature

2020 Regular Session

By Representatives Maycumber, Cody, DeBolt, Tharinger, Chopp, Harris, Macri, Thai, Chambers, Caldier, Duerr, Hudgins, Chapman, Steele, Gildon, Eslick, Robinson, Irwin, Lekanoff, Senn, Doglio, Gregerson, Peterson, Goodman, Leavitt, Frame, Pollet, Riccelli, Volz, Davis, and Kloba

Read first time 01/16/20. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to reducing the total cost of insulin; amending
2 RCW 70.14.060, 48.20.391, 48.21.143, 48.44.315, and 48.46.272; adding
3 a new section to chapter 70.14 RCW; adding a new section to chapter
4 48.43 RCW; creating a new section; and providing expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that:

7 (a) Insulin is a life-saving drug and is critical to the
8 management of diabetes as it helps patients control their blood sugar
9 levels;

10 (b) According to Yale researchers, one-quarter of patients with
11 Type 1 or 2 diabetes have reported using less insulin than prescribed
12 due to the high cost of insulin;

13 (c) The first insulin patent in the United States was awarded in
14 1923 and the first synthetic insulin arrived on the market in 1978;
15 and

16 (d) The price and utilization of insulin has steadily increased,
17 making it one of the costliest prescription drugs in the state.
18 According to the Washington all-payer claims database, the allowable
19 costs before rebates for health carriers in the state have increased
20 eighty-seven percent since 2014, and per member out-of-pocket costs

1 have increased an average of eighteen percent over the same time
2 period.

3 (2) Therefore, the legislature intends to review, consider, and
4 pursue several strategies with the goal of reducing the cost of
5 insulin in Washington.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.14
7 RCW to read as follows:

8 (1) The total cost of insulin work group is established. The work
9 group membership must consist of the following members appointed by
10 the governor:

11 (a) A representative from the prescription drug purchasing
12 consortium described in RCW 70.14.060;

13 (b) A representative from the pharmacy quality assurance
14 commission;

15 (c) A representative from an association representing independent
16 pharmacies;

17 (d) A representative from an association representing chain
18 pharmacies;

19 (e) A representative from each health carrier offering at least
20 one health plan in a commercial market in the state;

21 (f) A representative from each health carrier offering at least
22 one health plan to state or public school employees in the state;

23 (g) A representative from an association representing health
24 carriers;

25 (h) A representative from the public employees' benefits board or
26 the school employees' benefits board;

27 (i) A representative from the health care authority;

28 (j) A representative from a pharmacy benefit manager that
29 contracts with state purchasers;

30 (k) A representative from a drug distributor or wholesaler that
31 distributes or sells insulin in the state;

32 (l) A representative from a state agency that purchases health
33 care services and drugs for a selected population; and

34 (m) A representative from the attorney general's office with
35 expertise in prescription drug purchasing.

36 (2) The work group shall review and design strategies to reduce
37 the cost of and total expenditures on insulin in this state.

38 (3) Staff support for the work group shall be provided by the
39 health care authority.

1 (4) By December 1, 2020, the work group shall submit a report to
2 the governor and the legislature detailing strategies to reduce the
3 cost of and total expenditures on insulin for patients, health
4 carriers, payers, and the state. The report must include any
5 statutory changes necessary to implement the strategies.

6 (5) If the work group determines that all or a portion of the
7 strategies can be implemented without statutory changes, the health
8 care authority and the prescription drug purchasing consortium
9 described in RCW 70.14.060 may begin implementation without further
10 legislative direction.

11 (6) This section expires December 1, 2022.

12 **Sec. 3.** RCW 70.14.060 and 2009 c 560 s 13 are each amended to
13 read as follows:

14 (1) The administrator of the state health care authority shall,
15 directly or by contract, adopt policies necessary for establishment
16 of a prescription drug purchasing consortium. The consortium's
17 purchasing activities shall be based upon the evidence-based
18 prescription drug program established under RCW 70.14.050. State
19 purchased health care programs as defined in RCW 41.05.011 shall
20 purchase prescription drugs through the consortium for those
21 prescription drugs that are purchased directly by the state and those
22 that are purchased through reimbursement of pharmacies, unless
23 exempted under this section. The administrator shall not require any
24 supplemental rebate offered to the department of social and health
25 services by a pharmaceutical manufacturer for prescription drugs
26 purchased for medical assistance program clients under chapter 74.09
27 RCW be extended to any other state purchased health care program, or
28 to any other individuals or entities participating in the consortium.
29 The administrator shall explore joint purchasing opportunities with
30 other states.

31 (2) Participation in the purchasing consortium shall be offered
32 as an option beginning January 1, 2006. Participation in the
33 consortium is purely voluntary for units of local government, private
34 entities, labor organizations, health carriers as provided in RCW
35 48.43.005, state purchased health care services from or through
36 health carriers, group model health maintenance organizations that
37 are accredited by the national committee for quality assurance, and
38 for individuals who lack or are underinsured for prescription drug
39 coverage. The administrator may set reasonable fees, including

1 enrollment fees, to cover administrative costs attributable to
2 participation in the prescription drug consortium.

3 ~~(3) ((This section does not apply to state purchased health care
4 services that are purchased from or through health carriers as
5 defined in RCW 48.43.005, or group model health maintenance
6 organizations that are accredited by the national committee for
7 quality assurance.~~

8 ~~(4))~~) The state health care authority is authorized to adopt
9 rules implementing chapter 129, Laws of 2005.

10 ~~((5))~~) (4) State purchased health care programs are exempt from
11 the requirements of this section if they can demonstrate to the
12 administrator that, as a result of the availability of federal
13 programs or other purchasing arrangements, their other purchasing
14 mechanisms will result in greater discounts and aggregate cost
15 savings than would be realized through participation in the
16 consortium.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 48.43
18 RCW to read as follows:

19 (1) A health plan issued or renewed on or after January 1, 2021,
20 that provides coverage for prescription insulin drugs must cap
21 copayments, deductibles, or other forms of cost sharing for the drug
22 at an amount not to exceed one hundred dollars per thirty-day supply
23 of the drug.

24 (2) The health care authority must monitor the wholesale
25 acquisition cost of all insulin products sold in the state.

26 (3) This section expires January 1, 2023.

27 **Sec. 5.** RCW 48.20.391 and 1997 c 276 s 2 are each amended to
28 read as follows:

29 The legislature finds that diabetes imposes a significant health
30 risk and tremendous financial burden on the citizens and government
31 of the state of Washington, and that access to the medically accepted
32 standards of care for diabetes, its treatment and supplies, and self-
33 management training and education is crucial to prevent or delay the
34 short and long-term complications of diabetes and its attendant
35 costs.

36 (1) The definitions in this subsection apply throughout this
37 section unless the context clearly requires otherwise.

1 (a) "Person with diabetes" means a person diagnosed by a health
2 care provider as having insulin using diabetes, noninsulin using
3 diabetes, or elevated blood glucose levels induced by pregnancy; and

4 (b) "Health care provider" means a health care provider as
5 defined in RCW 48.43.005.

6 (2) All disability insurance contracts providing health care
7 services, delivered or issued for delivery in this state and issued
8 or renewed after January 1, 1998, shall provide benefits for at least
9 the following services and supplies for persons with diabetes:

10 (a) For disability insurance contracts that include pharmacy
11 services, appropriate and medically necessary equipment and supplies,
12 as prescribed by a health care provider, that includes but is not
13 limited to insulin, syringes, injection aids, blood glucose monitors,
14 test strips for blood glucose monitors, visual reading and urine test
15 strips, insulin pumps and accessories to the pumps, insulin infusion
16 devices, prescriptive oral agents for controlling blood sugar levels,
17 foot care appliances for prevention of complications associated with
18 diabetes, and glucagon emergency kits; and

19 (b) For all disability insurance contracts providing health care
20 services, outpatient self-management training and education,
21 including medical nutrition therapy, as ordered by the health care
22 provider. Diabetes outpatient self-management training and education
23 may be provided only by health care providers with expertise in
24 diabetes. Nothing in this section prevents the insurer from
25 restricting patients to seeing only health care providers who have
26 signed participating provider agreements with the insurer or an
27 insuring entity under contract with the insurer.

28 (3) (~~Coverage~~) Except as provided in section 4 of this act,
29 coverage required under this section may be subject to customary
30 cost-sharing provisions established for all other similar services or
31 supplies within a policy.

32 (4) Health care coverage may not be reduced or eliminated due to
33 this section.

34 (5) Services required under this section shall be covered when
35 deemed medically necessary by the medical director, or his or her
36 designee, subject to any referral and formulary requirements.

37 (6) The insurer need not include the coverage required in this
38 section in a group contract offered to an employer or other group
39 that offers to its eligible enrollees a self-insured health plan not

1 subject to mandated benefits status under this title that does not
2 offer coverage similar to that mandated under this section.

3 (7) This section does not apply to the health benefit plan that
4 provides benefits identical to the schedule of services covered by
5 the basic health plan, as required by RCW 48.20.028.

6 **Sec. 6.** RCW 48.21.143 and 2004 c 244 s 10 are each amended to
7 read as follows:

8 The legislature finds that diabetes imposes a significant health
9 risk and tremendous financial burden on the citizens and government
10 of the state of Washington, and that access to the medically accepted
11 standards of care for diabetes, its treatment and supplies, and self-
12 management training and education is crucial to prevent or delay the
13 short and long-term complications of diabetes and its attendant
14 costs.

15 (1) The definitions in this subsection apply throughout this
16 section unless the context clearly requires otherwise.

17 (a) "Person with diabetes" means a person diagnosed by a health
18 care provider as having insulin using diabetes, noninsulin using
19 diabetes, or elevated blood glucose levels induced by pregnancy; and

20 (b) "Health care provider" means a health care provider as
21 defined in RCW 48.43.005.

22 (2) All group disability insurance contracts and blanket
23 disability insurance contracts providing health care services, issued
24 or renewed after January 1, 1998, shall provide benefits for at least
25 the following services and supplies for persons with diabetes:

26 (a) For group disability insurance contracts and blanket
27 disability insurance contracts that include coverage for pharmacy
28 services, appropriate and medically necessary equipment and supplies,
29 as prescribed by a health care provider, that includes but is not
30 limited to insulin, syringes, injection aids, blood glucose monitors,
31 test strips for blood glucose monitors, visual reading and urine test
32 strips, insulin pumps and accessories to the pumps, insulin infusion
33 devices, prescriptive oral agents for controlling blood sugar levels,
34 foot care appliances for prevention of complications associated with
35 diabetes, and glucagon emergency kits; and

36 (b) For all group disability insurance contracts and blanket
37 disability insurance contracts providing health care services,
38 outpatient self-management training and education, including medical
39 nutrition therapy, as ordered by the health care provider. Diabetes

1 outpatient self-management training and education may be provided
2 only by health care providers with expertise in diabetes. Nothing in
3 this section prevents the insurer from restricting patients to seeing
4 only health care providers who have signed participating provider
5 agreements with the insurer or an insuring entity under contract with
6 the insurer.

7 (3) (~~Coverage~~) Except as provided in section 4 of this act,
8 coverage required under this section may be subject to customary
9 cost-sharing provisions established for all other similar services or
10 supplies within a policy.

11 (4) Health care coverage may not be reduced or eliminated due to
12 this section.

13 (5) Services required under this section shall be covered when
14 deemed medically necessary by the medical director, or his or her
15 designee, subject to any referral and formulary requirements.

16 (6) The insurer need not include the coverage required in this
17 section in a group contract offered to an employer or other group
18 that offers to its eligible enrollees a self-insured health plan not
19 subject to mandated benefits status under this title that does not
20 offer coverage similar to that mandated under this section.

21 (7) This section does not apply to the health benefit plan that
22 provides benefits identical to the schedule of services covered by
23 the basic health plan.

24 **Sec. 7.** RCW 48.44.315 and 2004 c 244 s 12 are each amended to
25 read as follows:

26 The legislature finds that diabetes imposes a significant health
27 risk and tremendous financial burden on the citizens and government
28 of the state of Washington, and that access to the medically accepted
29 standards of care for diabetes, its treatment and supplies, and self-
30 management training and education is crucial to prevent or delay the
31 short and long-term complications of diabetes and its attendant
32 costs.

33 (1) The definitions in this subsection apply throughout this
34 section unless the context clearly requires otherwise.

35 (a) "Person with diabetes" means a person diagnosed by a health
36 care provider as having insulin using diabetes, noninsulin using
37 diabetes, or elevated blood glucose levels induced by pregnancy; and

38 (b) "Health care provider" means a health care provider as
39 defined in RCW 48.43.005.

1 (2) All health benefit plans offered by health care service
2 contractors, issued or renewed after January 1, 1998, shall provide
3 benefits for at least the following services and supplies for persons
4 with diabetes:

5 (a) For health benefit plans that include coverage for pharmacy
6 services, appropriate and medically necessary equipment and supplies,
7 as prescribed by a health care provider, that includes but is not
8 limited to insulin, syringes, injection aids, blood glucose monitors,
9 test strips for blood glucose monitors, visual reading and urine test
10 strips, insulin pumps and accessories to the pumps, insulin infusion
11 devices, prescriptive oral agents for controlling blood sugar levels,
12 foot care appliances for prevention of complications associated with
13 diabetes, and glucagon emergency kits; and

14 (b) For all health benefit plans, outpatient self-management
15 training and education, including medical nutrition therapy, as
16 ordered by the health care provider. Diabetes outpatient self-
17 management training and education may be provided only by health care
18 providers with expertise in diabetes. Nothing in this section
19 prevents the health care services contractor from restricting
20 patients to seeing only health care providers who have signed
21 participating provider agreements with the health care services
22 contractor or an insuring entity under contract with the health care
23 services contractor.

24 (3) (~~Coverage~~) Except as provided in section 4 of this act,
25 coverage required under this section may be subject to customary
26 cost-sharing provisions established for all other similar services or
27 supplies within a policy.

28 (4) Health care coverage may not be reduced or eliminated due to
29 this section.

30 (5) Services required under this section shall be covered when
31 deemed medically necessary by the medical director, or his or her
32 designee, subject to any referral and formulary requirements.

33 (6) The health care service contractor need not include the
34 coverage required in this section in a group contract offered to an
35 employer or other group that offers to its eligible enrollees a self-
36 insured health plan not subject to mandated benefits status under
37 this title that does not offer coverage similar to that mandated
38 under this section.

1 (7) This section does not apply to the health benefit plans that
2 provide benefits identical to the schedule of services covered by the
3 basic health plan.

4 **Sec. 8.** RCW 48.46.272 and 2004 c 244 s 14 are each amended to
5 read as follows:

6 The legislature finds that diabetes imposes a significant health
7 risk and tremendous financial burden on the citizens and government
8 of the state of Washington, and that access to the medically accepted
9 standards of care for diabetes, its treatment and supplies, and self-
10 management training and education is crucial to prevent or delay the
11 short and long-term complications of diabetes and its attendant
12 costs.

13 (1) The definitions in this subsection apply throughout this
14 section unless the context clearly requires otherwise.

15 (a) "Person with diabetes" means a person diagnosed by a health
16 care provider as having insulin using diabetes, noninsulin using
17 diabetes, or elevated blood glucose levels induced by pregnancy; and

18 (b) "Health care provider" means a health care provider as
19 defined in RCW 48.43.005.

20 (2) All health benefit plans offered by health maintenance
21 organizations, issued or renewed after January 1, 1998, shall provide
22 benefits for at least the following services and supplies for persons
23 with diabetes:

24 (a) For health benefit plans that include coverage for pharmacy
25 services, appropriate and medically necessary equipment and supplies,
26 as prescribed by a health care provider, that includes but is not
27 limited to insulin, syringes, injection aids, blood glucose monitors,
28 test strips for blood glucose monitors, visual reading and urine test
29 strips, insulin pumps and accessories to the pumps, insulin infusion
30 devices, prescriptive oral agents for controlling blood sugar levels,
31 foot care appliances for prevention of complications associated with
32 diabetes, and glucagon emergency kits; and

33 (b) For all health benefit plans, outpatient self-management
34 training and education, including medical nutrition therapy, as
35 ordered by the health care provider. Diabetes outpatient self-
36 management training and education may be provided only by health care
37 providers with expertise in diabetes. Nothing in this section
38 prevents the health maintenance organization from restricting
39 patients to seeing only health care providers who have signed

1 participating provider agreements with the health maintenance
2 organization or an insuring entity under contract with the health
3 maintenance organization.

4 (3) (~~Coverage~~) Except as provided in section 4 of this act,
5 coverage required under this section may be subject to customary
6 cost-sharing provisions established for all other similar services or
7 supplies within a policy.

8 (4) Health care coverage may not be reduced or eliminated due to
9 this section.

10 (5) Services required under this section shall be covered when
11 deemed medically necessary by the medical director, or his or her
12 designee, subject to any referral and formulary requirements.

13 (6) The health maintenance organization need not include the
14 coverage required in this section in a group contract offered to an
15 employer or other group that offers to its eligible enrollees a self-
16 insured health plan not subject to mandated benefits status under
17 this title that does not offer coverage similar to that mandated
18 under this section.

19 (7) This section does not apply to the health benefit plans that
20 provide benefits identical to the schedule of services covered by the
21 basic health plan.

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