

HOUSE BILL REPORT

SHB 1728

As Passed House:
February 14, 2022

Title: An act relating to reauthorizing and amending dates for the total cost of insulin work group.

Brief Description: Reauthorizing and amending dates for the total cost of insulin work group.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Maycumber, Cody, Callan, Eslick, Macri, Ramos, Griffey, Riccelli and Leavitt; by request of Health Care Authority).

Brief History:

Committee Activity:

Health Care & Wellness: 1/10/22, 1/19/22 [DP];
Appropriations: 1/27/22, 2/1/22 [DPS].

Floor Activity:

Passed House: 2/14/22, 97-1.

Brief Summary of Substitute Bill

- Extends the report deadlines and expiration date for the Total Cost of Insulin Work Group (Work Group).
- Changes the membership requirements of the Work Group.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 15 members: Representatives Cody, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Bronoske, Davis, Harris, Macri, Maycumber, Riccelli, Rude, Simmons, Stonier, Tharinger and Ybarra.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Phillip Craig (786-7291) and Kim Weidenaar (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Staff: Meghan Morris (786-7119).

Background:

In 2020 the Legislature established the Total Cost of Insulin Work Group (Work Group) to review and design strategies to reduce the cost of—and total expenditures on—insulin in the state. The Work Group consists of the insurance commissioner and a representative appointed by the Governor from each of the following organizations:

- the Prescription Drug Purchasing 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 a 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' Benefits Board;
- the Health Care Authority (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;
- the Attorney General's Office; and
- an organization representing diabetes patients who are living with diabetes.

The Work Group was required to submit a preliminary report to the Governor and Legislature by December 1, 2020, and to submit a final report to the Governor and Legislature by July 1, 2021. The Work Group expires on December 1, 2022.

On July 1, 2021, the HCA submitted a report to the Legislature stating that the Work Group was unable to convene before funding for the Work Group lapsed on June 30, 2021.

Summary of Substitute Bill:

Modifications are made to the membership of the Total Cost of Insulin Work Group (Work Group). Members representing the following entities are removed from the Work Group: an association representing chain pharmacies; each health carrier offering at least one health plan in a commercial market in the state; and each health carrier offering at least one health plan to state or public school employees in the state. The representative from a pharmacy benefit manager that contracts with state purchasers is replaced with a representative from an association representing pharmacy benefit managers. Four members of the public living with diabetes who are appointed by the Governor are added to the Work Group membership.

The Work Group must submit a preliminary report detailing strategies to reduce the cost of insulin by December 1, 2022. The Work Group must submit the final report to the Governor and Legislature by July 1, 2023. The Work Group expires on December 1, 2024.

If funding for the Work Group is not provided by June 30, 2022, this act is null and void.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Health Care & Wellness):

(In support) Insulin is the most expensive drug on the market, so individuals that depend on insulin often compromise on groceries and other necessities to afford their prescription. People are dying because of the cost of insulin, and BIPOC individuals and seniors are among the most impacted.

The Total Cost of Insulin Work Group (Work Group) has the potential to be a life-saving tool. The government can take a role in controlling the cost of insulin by negotiating drug prices and implementing unique programs. For the Work Group to be successful, it must be nimble and efficient enough to meet its deadlines, and it must be representative of the community that consumes insulin. Currently, there are far too many representatives for insurers and health carriers, and too few representatives for consumers of insulin. Amendments will be introduced to reduce the overall number of people in the Work Group, and to ensure that there is a member of the public in the Work Group.

The Work Group has been delayed two years due to the COVID-19 pandemic, which is two more years in which people have struggled to pay for insulin. The Work Group is now prepared to get started.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) The Legislature has passed this policy before. It was voted out of the House of Representatives with a 97 to one vote. This bill simply changes the dates for the Total Cost of Insulin Work Group (Work Group) to review the cost of insulin and understand the approximately 500 percent cost increase in the last decade. Instead of the work ending in 2022, deadlines are extended to 2023.

The Work Group is unnecessarily large. An amendment is needed to reduce the size. The bill allows for a representative from each health carrier offering a health plan in a commercial or public market to participate. There are dozens of health insurers which makes the Work Group too big. However, representatives from the public living with diabetes need to be included.

(Opposed) None.

Persons Testifying (Health Care & Wellness): Representative Jacquelin Maycumber, prime sponsor; Cindi Laws and Ronnie Shure, Health Care for All Washington; Shawn O'Neill; and Madison Johnson, Washington #insulin4all.

Persons Testifying (Appropriations): Representative Jacquelin Maycumber, prime sponsor; and Cindi Laws, Health Care for All Washington.

Persons Signed In To Testify But Not Testifying (Health Care & Wellness): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.