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## Health Care & Wellness Committee

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### HB 1725

**Brief Description:** Increasing access to insulin for individuals under the age of 21.

**Sponsors:** Representatives Maycumber, Riccelli, Fosse, Doglio, Tharinger, Stonier, Barnard, Hutchins, Graham, Mosbrucker, Christian, Reeves, Walen, Gregerson, Ormsby, Reed, Schmidt, Pollet, Cheney, Shavers, Macri and Leavitt.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires the Health Care Authority to establish a bulk purchasing and distribution program for insulin for individuals under the age of 21.</li></ul>
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**Hearing Date:** 2/8/23

**Staff:** Ingrid Lewis (786-7293).

**Background:**

Insulin.

Insulin is a hormone produced by the pancreas that regulates blood sugar levels. Many individuals with diabetes require insulin therapy to regulate blood sugar. The different types of insulin therapies range from rapid- to long-acting and come in various delivery methods: syringe or pen, pump, and inhaler.

Beginning January 1, 2023, and until January 1, 2024, health plans, including health plans offered to public employees and covered dependents, must cap the total amount that an enrollee is required to pay for a 30-day supply of a covered insulin drug at \$35. Prescription insulin drugs must be covered without being subject to a deductible, and any cost-sharing paid by an enrollee must be applied toward the enrollee's deductible obligation.

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*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.*

### Total Cost of Insulin Work Group and ArrayRx.

ArrayRx (formerly the Northwest Prescription Drug Consortium) was created in 2006 to allow state agencies, local governments, businesses, labor organizations, and uninsured individuals to leverage purchasing ability in an attempt to obtain discounts on prescription drugs.

The Total Cost of Insulin Work Group (Work Group) was established in 2020 within the Health Care Authority (HCA). The Work Group is tasked with devising purchasing strategies to reduce the cost of, and total expenditure on, insulin and providing a 30-day supply of insulin to individuals on an emergency basis. The Work Group must submit a final report to the governor and the Legislature by July 1, 2023.

The HCA and ArrayRx are authorized to implement any of the Work Group's strategies without further legislative direction, including becoming or designating a state agency to become a licensed drug wholesaler or registered pharmacy benefit manager, or purchase prescription drugs directly from other states or in coordination with other states.

### Bulk Purchase and Distribution of Medication.

In 2021, Second Substitute Senate Bill 5195 directed the HCA to establish a bulk purchasing and distribution program for Naloxone, an opioid overdose reversal medication. The HCA is authorized to purchase or enter into contracts, collect an assessment, adopt rules, and administer the program by billing, charging, and receiving payment from health carriers, managed care systems, and any self-insured health plans which choose to participate. Once established, health carriers, Medicaid managed care organizations, health plans offered to public employees and their dependents, Medicaid fee for service clients, and uninsured persons covered by the HCA are required to participate. By July 1, 2025, the HCA must make recommendations on whether and how the bulk purchase and distribution program may be expanded to include other prescription drugs.

### **Summary of Bill:**

The Health Care Authority (HCA) is directed to establish a bulk purchasing and distribution program for insulin for individuals under the age of 21 similar to the opioid overdose reversal medication bulk purchasing and distribution program.

The HCA is authorized to purchase or enter into contracts to purchase and distribute insulin; bill, charge, and receive payment from health carriers, managed health care systems, and self-insured plans that choose to participate; and perform any other function as necessary to establish and administer the program.

The HCA may adopt rules to provide the following: a dosage-based assessment for insulin that includes administrative costs of the program; the mechanism, requirements, and timeline for health carriers, managed health care systems, and self-insured plans to pay the dosage-based assessments; the types of entities that are required or permitted to participate in the program; and billing procedures.

The entities required to participate in the program include health carriers, Medicaid managed care organizations, and to a limited extent, the HCA.

An insulin account is created in the custody of the State Treasurer to receive funds and make expenditures related to the program. The HCA may establish an interest charge for late payment of any assessment. The HCA shall assess a civil penalty of 150 percent of the assessment against any health carrier, managed health care system, or self-insured health plan that fails to pay an assessment within three months of billing. Judgements and civil penalties levied must be deposited in the insulin account.

The HCA must report to the Legislature about its progress in establishing the program on January 1, 2024, January 1, 2025, and July 1, 2026.

**Appropriation:** None.

**Fiscal Note:** Requested on February 2, 2023.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.