
SENATE BILL 6113

State of Washington

66th Legislature

2020 Regular Session

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

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1 AN ACT Relating to creation of a central insulin purchasing
2 program; amending RCW 70.14.060; adding a new section to chapter
3 70.14 RCW; creating a new section; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the
6 price and utilization of insulin has steadily increased, making it
7 one of the costliest prescription drugs in the state.

8 (2) According to the Washington all-payer claims database, the
9 allowable costs before rebates for health carriers in the state have
10 increased eighty-seven percent since 2014 and per member out-of-
11 pocket costs have increased an average of eighteen percent over the
12 same time period.

13 (3) Therefore, the legislature intends to pursue a central
14 insulin purchasing program to leverage the buying power of all
15 insulin purchasers in the state and with the goal of lowering the
16 cost of insulin.

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

1 (1) The central insulin purchasing work group is established. The
2 work group membership must consist of the following members appointed
3 by the governor:

4 (a) A representative from the northwest prescription drug
5 consortium;

6 (b) A representative from the pharmacy quality assurance
7 commission;

8 (c) A representative from an association representing independent
9 pharmacies;

10 (d) A representative from an association representing chain
11 pharmacies;

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

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

16 (g) A representative from an association representing health
17 carriers;

18 (h) A representative from the public employees' benefits board or
19 the school employees' benefits board;

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

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

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

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

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

29 (2) The work group shall design a purchasing strategy to allow
30 the northwest prescription drug consortium to act as the single
31 purchaser of insulin for the state.

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

34 (4) By December 1, 2020, the work group shall submit a report to
35 the governor and the legislature detailing the purchasing plan and
36 any statutory changes necessary to implement the plan.

37 (5) Upon completion of the plan, if the work group determines
38 that all or a portion of the plan can be implemented without
39 statutory changes, the prescription drug consortium may begin
40 implementation without further legislative direction.

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

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

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

21 (2) Participation in the purchasing consortium shall be offered
22 as an option beginning January 1, 2006. Participation in the
23 consortium is purely voluntary for units of local government, private
24 entities, labor organizations, health carriers as provided in RCW
25 48.43.005, state purchased health care services from or through
26 health carriers, group model health maintenance organizations that
27 are accredited by the national committee for quality assurance, and
28 for individuals who lack or are underinsured for prescription drug
29 coverage. The administrator may set reasonable fees, including
30 enrollment fees, to cover administrative costs attributable to
31 participation in the prescription drug consortium.

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

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

1 (~~(5)~~) (4) State purchased health care programs are exempt from
2 the requirements of this section if they can demonstrate to the
3 administrator that, as a result of the availability of federal
4 programs or other purchasing arrangements, their other purchasing
5 mechanisms will result in greater discounts and aggregate cost
6 savings than would be realized through participation in the
7 consortium.

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