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**HOUSE BILL 2662**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Maycumber, Cody, DeBolt, Tharinger, Chopp, Harris, Macri, Thai, Chambers, and Caldier

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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