



OFFICE of the
**INSURANCE
COMMISSIONER**
WASHINGTON STATE

Greetings,

The Office of the Insurance Commissioner is providing this information to remind health plan carriers of their responsibilities in the implementation and operationalization of [SHB 2464](#) Protecting patients from excess prescription medication charge (2020 Session), codified as RCW 48.43.430.

[RCW 48.43.430](#), effective January 1, 2021, sets forth the maximum amount a carrier or pharmacy benefit manager may require a person to pay at the point of sale for a covered prescription medication as the lesser of either the applicable cost sharing for the prescription medication under a health plan or the amount the person would pay for the prescription medication if the person purchased the prescription medication without using a health plan.

A health carrier or pharmacy benefit manager may not require a pharmacist to dispense a brand name prescription medication when a less expensive therapeutically equivalent generic prescription medication is available. Any such clauses in a provider contract, policy & procedures manual, or other administrative guidance that prohibit a pharmacist from voluntarily informing a patient about a less expensive therapeutically equivalent generic prescription medication or from dispensing a less expensive therapeutically equivalent generic prescription medication violate state law.

This means provider contracts effective on or after January 1, 2021 cannot include these types of clauses and must include contract language addressing the pharmacist's right to dispense a less expensive therapeutically equivalent generic prescription medication and to charge the patient for the prescription drug the lower of the applicable cost sharing under the health plan or the amount, they, the patient, would have paid without using the health plan.

To meet the requirements of RCW 48.43.430, health carriers may need to submit new provider contract templates with compliant language. In-force contracts that are not compliant must be amended to add required notices and remove prohibited clauses.

Please direct any questions to Jennifer Kreidler, Provider Network Oversight Manager at JenniferK@oic.wa.gov

Thank you.