

EXECUTIVE ORDER 00-04

ESTABLISHING A WASHINGTON STATE ALLIANCE TO REDUCE PRESCRIPTION DRUG SPENDING "AWARDS" PROGRAM

WHEREAS, the state of Washington is committed to the health and well-being of its senior citizens;

WHEREAS, the health of tens of thousands of Washington's senior citizens depends on their abilities to afford the prescription drugs they need. On average, those over age 65 have long-term needs for four different prescription drugs;

WHEREAS, the rapidly rising costs of prescription drugs has created a crisis among Washington's senior citizens that is jeopardizing their health and well being;

WHEREAS, prices of prescription drugs commonly used by seniors have soared 30 percent on average since 1994. Seniors age 65 and older pay an average of \$1,205 a year for prescriptions, up from \$559 in 1992. They will pay an average of \$2,810 a piece by 2010;

WHEREAS, the federal Medicare program does not provide prescription drug coverage to seniors;

WHEREAS, on January 1, 2001 approximately 30,000 Washington senior citizens who currently have coverage under Medicare Plus will lose their coverage and be forced to enroll in standard Medicare coverage thereby facing higher health care costs, as insurers leave the Medicare Plus market because of inadequate reimbursement rates paid by the federal government;

WHEREAS, the federal government is unlikely to address these unmet needs in the immediate future, and there is a need for an immediate short-term solution to meet the health care needs of Washington's senior citizens;

WHEREAS, the burden of paying for drugs falls disproportionately on older people. Americans age 65 and older pay 42 cents of every dollar spent by the entire population on prescription drugs, although they account for just 13 percent of the population;

WHEREAS, the state of Washington is able to negotiate price discounts on prescription drugs purchased through its Uniform Medical Plan administered by the state Health Care Authority, and mechanisms exist that can extend similar discounts to seniors age 55 and older who do not have prescription drug coverage, at no cost to the state;

WHEREAS, the Secretary of the Department of Health has the power and responsibility to act to address emergent public health care necessity;

NOW THEREFORE, I, Gary Locke, Governor of the State of Washington, by virtue of the authority vested in me do hereby direct the following actions:

1. The Secretary of the Department of Health and the Administrator of the Health Care Authority shall, in coordination with each other, take all administrative actions necessary or advisable to implement a program to provide prescription drug price discounts negotiated through the Health Care Authority to Washington senior citizens aged 55 and older.
2. This program shall be implemented no later than January 2001, and in such a manner as to be self supporting, and without cost to the state. It shall be known as A Washington State Alliance to Reduce Prescription Drug Spending ("AWARDS") program.
3. This order shall take effect immediately.

IN WITNESS WHEREOF, I Additional
have hereunto set my hand
and caused the seal of the
State of Washington to be
Affixed at Olympia this 29th
day of August A.D., Two
thousand.

GARY LOCKE
Governor of Washington

BY THE GOVERNOR:
Secretary of State