

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW
COMMITTEE (JLARC)



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AGENDA

June 17, 2009
10:00 a.m. – 12:00 p.m.
John A. Cherberg Building
Senate Hearing Room 4
Olympia, Washington

► Brief descriptions of agenda items are on the reverse side.

10:00 – 10:30 **OTHER COMMITTEE BUSINESS**

- A. JLARC Membership
- B. Election of JLARC Executive Committee for 2009-11
- C. 2009 Legislative Session Highlights for JLARC
- *D. Approval of Updated 2009-11 JLARC Work Plan

10:30 – 10:35 *1. Approval of January 7, 2009 JLARC Meeting Minutes

10:35 – 11:15 2. [Medicaid Prescription Drug Purchasing: Preferred Drug List—Preliminary Report](#)

11:15 – 12:00 3. [Preparing for JLARC's 2011 & 2016 Performance Audits of the Puget Sound Partnership—Briefing Report](#)

* Action Item

Please note: All listed times are estimates only and the Committee reserves the right to move agenda items as needed.

OTHER COMMITTEE BUSINESS

A. JLARC Membership

Welcome New JLARC Member Representative Sharon Nelson: Committee members will formally welcome JLARC's newest member, Representative Sharon Nelson who represents the 34th District, serving West Seattle, White Center, Burien and Vashon and Maury Islands.

B. Election of JLARC Executive Committee for 2009-1: Rule 6 of the JLARC Rules of Procedure requires the Executive Committee to be formed as soon as feasible after the biennial appointment or reappointment of JLARC members. For the 2009-11 Biennium, the Chair will be selected from the House Democratic JLARC members, the Vice-Chair from the Senate Republican JLARC members. The two remaining positions of Secretary and Assistant Secretary on the Executive Committee will be elected from the Senate Democratic and the House Republican JLARC members so that all four caucuses are represented.

C. Recap of 2009 Legislation with JLARC Studies: JLARC staff will provide a recap of 2009 legislation with JLARC studies.

***D. Approval of Updated 2009-11 JLARC Work Plan:** RCW 44.28.083 requires JLARC to develop a performance audit work plan during the regular legislative session of each odd-numbered year. JLARC approved its initial work plan in January 2009. Now the Committee will be approving its updated 2009-11 Work Plan that incorporates new study mandates from the 2009 Legislative Session.

*1. **Approval of Meeting Minutes:** Approval of minutes from the January 7, 2009 JLARC meeting.

2. **Medicaid Prescription Drug Purchasing: Preferred Drug List—Preliminary Report:** The JLARC sponsored performance audit examines the creation and use of the state preferred drug list (PDL) by the Health and Recovery Services Administration (HRSA) within the Department of Social and Health Services and the impact the PDL has had on Medical Assistance prescription drug utilization and costs. HRSA and two other state agencies select preferred drugs based on the safety, efficacy, effectiveness, and cost of the drugs. JLARC staff found six positive indicators that suggest costs savings are likely occurring due to use the PDL. However, exact savings cannot be calculated because of other cost containment measures implemented by HRSA, population and market factors, and challenges with cost savings estimation methodologies. The study concludes that for budget development purposes, the Legislature may not need specific estimates of Medicaid cost savings related to the PDL. However, it is important for the three agencies to continue to participate in the review process for designating preferred drugs. The proposed final report is scheduled for July 2009.
3. **Preparing for JLARC's 2011 & 2016 Performance Audits of the Puget Sound Partnership—Briefing Report:** The Legislature created the Puget Sound Partnership in 2007 to lead the effort to protect and restore Puget Sound by 2020. JLARC is to conduct performance audits of the Partnership in 2011 and 2016. The briefing paper and presentation provides background information on the Partnership and its responsibilities, briefly describes the experiences of other states as they grapple with similar large scale restoration projects, and addresses the Partnership's transition from developing an Action Agenda to providing oversight and monitoring of the Action Agenda's implementation. The briefing paper finishes with the Partnership's detailed responses to questions JLARC asked about the transition to oversight and accountability. After the presentation by JLARC staff, the Executive Director of the Partnership will present a summary of the Partnership's responses to JLARC questions with a focus on the establishment of accountability mechanisms.