

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2925                      **STATUS:** Original  
**SUBJECT:** Requires health insurance policy to cover a 90-day supply of prescription drugs.  
**GOVERNMENT UNIT AFFECTED:** Department of Consumer and Business Services, Department of Administrative Services  
**PREPARED BY:** Robin LaMonte  
**REVIEWED BY:** Susie Jordan, Laurie Byerly  
**DATE:** April 3, 2009

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b> See Analysis		

**EFFECTIVE DATE:** January 1, 2010

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** HB 2925 requires that a policy or certificate of health insurance that provides coverage of a prescription drug must provide a 90-day supply of drugs prescribed by an enrollee's health provider.

This bill will have a fiscal impact on state programs that provide drug coverage. The potential fiscal impact is related to two factors: 1) an estimated 4% increase in prescription drug loss or waste, due to medication changes that occur during a 90-day period; and prescription drug costs for enrollees who drop insurance coverage within the 90-day period.

The Department of Consumer and Business Services (DCBS) Oregon Medical Insurance Pool (OMIP) program provides health insurance to adults and children who are unable to obtain coverage because of health conditions, and provides a way for persons to continue coverage when COBRA benefits have been exhausted and they have no other options. OMIP is funded through a combination of insurance premiums paid by enrollees and by an assessment on Oregon insurance companies. Based on its prescription drug experience, OMIP estimates the bill could result in a cost of \$3.12 million Nonlimited Other Funds in the 2009-11. This increase in cost could result in an increase in insurance premiums and insurer assessments.

The Department of Administrative Services (DAS) administers the Public Employee Benefits Board (PEBB) and the Oregon Educators Benefit Board (OEBB). DAS notes that the some of the insurance plans offered through the Public Employees Benefit Board (PEBB) allows for a 90-day prescription drug benefit through a mail order prescription plan. Those insurance plans that do not currently offer this benefit could see an increase in cost due to drug loss or waste during the 90-day prescription period. OEBB offers the 90-day prescription drug benefit for most medication, but does not offer a 90-day for certain specialty drugs, including narcotics. DAS estimates that OEBB costs could increase by \$2.5 million Nonlimited Other Funds, potentially resulting in increased insurance premium rates.