

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

MEASURE NUMBER: SB 876

STATUS: B-Engrossed

SUBJECT: Requires the Department of Human Services to pay for brand name rather than a generic immunosuppressant drug in connection with organ transplant.

GOVERNMENT UNIT AFFECTED: Department of Human Services

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REVIEWED BY: John Britton

DATE: May 28, 2009

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

EFFECTIVE DATE: This bill includes an emergency clause and is effective on passage.

ANALYSIS: This measure requires the Department of Human Services (DHS) to determine whether an immunosuppressant drug used in connection with an organ transplant is a narrow therapeutic index drug within 180 days after the United States patent expires on the aforementioned drug. The bill also specifies that if a patent expired on or after July 1, 2007 and before the effective date of this measure, DHS is required to determine whether the drug is a narrow therapeutic index drug.

Passage of this bill would have a minimal impact on DHS.

If this bill is enacted, the Division of Medical Assistance Programs (DMAP) would have to research, identify and track patents on immunosuppressant drugs to support making a determination on narrow therapeutic index. Under current practices, DMAP makes this determination after generic versions of the drug become available on the market. If a drug is determined to have a narrow therapeutic index, the drug would fall into a protected category and DMAP would be required to pay for the higher cost of the brand-name version instead of encouraging generic substitutions when available. To comply with this measure, DMAP will have to make a determination within 180 days after the United States patent expires on the drug. Although this would create additional administrative work including rulemaking and evaluation by staff and the Drug Use Review Board, DHS estimates the work to be minimal.