

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference

Vote: 5 - 0 - 1

Yeas: Courtney, Kruse, Morse, Shields, Monnes Anderson

Nays: 0

Exc.: Bates

Prepared By: Sandy Thiele-Cirka, Administrator

Meeting Dates: 2/6, 2/8

WHAT THE MEASURE DOES: Requires state agencies to participate in Oregon Prescription Drug Program (OPDP) subject to exceptions. Authorizes administrator of OPDP to contract with pharmacy benefit manager. Requires administrator to contract with entity to negotiate with drug manufacturers to extend rebates to participants in program. Directs Oregon Health Authority (OHA) to apply for federal approval necessary to obtain federal financial participation in costs of drugs purchased through program. Stipulates that OHA may not participate in OPDP to purchase prescription drugs for recipients of medical assistance. Effective date July 1, 2012.

ISSUES DISCUSSED:

- Prescription drug purchasing pool increases access to prescription drugs for the uninsured
- Reduces prescription drugs costs to state agencies and local government
- 2011 Legislative Budget Note to the Department of Corrections budget
- Proposed amendments
- Exempting health maintenance organizations
- Acknowledgment for former Senator Bill Morrisette's role in championing Oregon's Prescription Drug Program

EFFECT OF COMMITTEE AMENDMENT: Stipulates that Oregon Health Authority may not participate in the program to purchase prescription drugs for recipients of medical assistance. Removes emergency clause, and establishes July 1, 2012 as the effective date.

BACKGROUND: Authorized by the Legislative Assembly in 2003, the Oregon Prescription Drug Program (OPDP) helps increase access to prescription drugs by the uninsured and lowers costs for state and city governments. In 2006, Oregon voters removed the eligibility criteria and opened the Program to any resident without adequate prescription drug coverage. Additionally in 2006, OPDP joined with a similar program in the state of Washington to form the Northwest Prescription Drug Consortium.

Senate Bill 1577A requires state agencies that purchase prescription drugs to participate in the OPDP unless the agency can demonstrate that it can achieve greater cost savings elsewhere.