

House Bill 4109

Sponsored by Representatives WEIDNER, GREENLICK, FREEMAN; Representatives HOYLE, PARRISH, SHEEHAN, J SMITH, THATCHER, Senator BOQUIST (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Health Authority to use competitive bidding process for purchase of generic drugs prescribed for recipients of medical assistance.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to generic drugs; and declaring an emergency.

3 Whereas the Legislative Assembly finds that with every prescription filled with a generic drug,
4 the consumer receives the same medicine as the brand name drug, with the same quality and same
5 result, but at a much lower cost; and

6 Whereas for more than 25 years, generic manufacturers have been providing in the United
7 States generic versions of brand name drugs, approved by the United States Food and Drug Ad-
8 ministration, at a savings to consumers of up to 80 percent of the costs; and

9 Whereas millions of Medicaid recipients nationwide are using generic drugs to treat a variety
10 of medical conditions, including infection, heart disease and cancer; and

11 Whereas generic drugs are rigorously tested by the United States Food and Drug Administration
12 to ensure that the drugs are the same medicine, with the same active ingredients, strengths and
13 dosages as the brand name counterparts; and

14 Whereas there are thousands of generic drugs available today, all of which are manufactured
15 and inspected under the same strict quality guidelines as brand name drugs; and

16 Whereas there are multiple generic drugs available for most brand name drugs, and these ge-
17 neric drugs can vary greatly in price; now, therefore,

18 **Be It Enacted by the People of the State of Oregon:**

19 **SECTION 1. (1) As used in this section:**

20 (a) **“Competitive bidding process” means a transparent procedure in which the scope,**
21 **specifications, terms and conditions of a proposed contract are openly advertised for the**
22 **purpose of soliciting bids from generic manufacturers to enter into the proposed contract to**
23 **sell products at the lowest price.**

24 (b) **“Generic drug” means a copy of a brand name drug that is no longer protected by a**
25 **patent and that:**

26 **(A) Contains the same active ingredients as the copied brand name drug;**

27 **(B) Is identical in strength, dosage, form and route of administration as the copied brand**
28 **name drug;**

29 **(C) Has the same indications, dosing and labeling as the copied brand name drug; and**

30 **(D) Is as safe and effective as the copied brand name drug.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) "Generic manufacturer" means a domestic or an international manufacturer of ge-
2 neric drugs that distributes the generic drugs in this state through various distribution
3 systems.

4 (2) The Oregon Health Authority or any entity that contracts with the authority for the
5 purchase of prescription drugs for recipients of medical assistance shall use a competitive
6 bidding process prescribed by the authority for the purchase of generic drugs.

7 (3) This section does not prohibit a pharmacy from substituting another generic drug for
8 a prescribed generic drug if a pharmacist normally carries the prescribed generic drug but
9 is temporarily out of stock.

10 SECTION 2. Section 1 of this 2012 Act becomes operative on January 1, 2013.

11 SECTION 3. The Oregon Health Authority may take any action before the operative date
12 specified in section 2 of this 2012 Act that is necessary for the authority to exercise, on and
13 after the operative date specified in section 2 of this 2012 Act, all of the duties, functions and
14 powers conferred on the authority by section 1 of this 2012 Act.

15 SECTION 4. This 2012 Act being necessary for the immediate preservation of the public
16 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
17 on its passage.

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