

HB 2123: Statement of the Oregon Board of Pharmacy

Thursday, March 28, 2013

By Gary Schnabel, RPh, RN, Executive Director

The OBOP discussed HB 2123 at a regularly scheduled board meeting on Tuesday, March 12, 2013. The Board remains Neutral on the bill.

The Board believes that PBM's should be licensed by somebody because of the activities in which they are engaged the. BOP is not concerned with:

- processing pharmacy claims,
- managing health plan and pharmacy contracts,

The BOP does have some concerns with the following activities of the PBM's related to patient care and does not know if or how these activities are currently regulated:

- perform Drug Utilization Review and Drug Regimen Review for individual patients
- maintain patient dispensing records,
- make therapeutic decisions about individual patients,
- manage drug formularies,
- purchase and dispense drugs via contract pharmacies,
- employ pharmacists to make therapeutic decisions about individual patients

Insurance Division Third Party Administrator (TPA):

- PBMS are required to license as a TPA with the Insurance Division. I contacted the Insurance Division last week and the ID Staff Couldn't tell me how many PBM's are licensed or what they do besides processing claims.
- I purchased a Printout of the list of TPA's licensed by the Insurance Div. There are 198 TPA's licensed in Oregon. The ID staff couldn't say which ones are PBM's. "We don't track that kind of information." I could not find names of familiar PBM's on the list. It appears most PBM's are not licensed as required. I heard this same comment from the MS Board of Pharmacy.

Fiscal Impact (undetermined)

- 1 FTE Administrator: (In MS the position is classified as "*Staff officer 3*" at a salary of \$76,000/yr). The BOP assumes the licensing fee will cover program costs.
- Licensing process, incl. adopting rules, developing appropriate forms, gathering appropriate information, mailing & handling costs, etc
- Complaint investigations and compliance enforcement (staff)
- Legal Advice from the AG's Office

The Board is divided on whether the BOP is the appropriate agency for licensure.

The BOP is neutral on the bill.

The BOP is prepared to implement should this become law.