

**SB 382**

**Relating to prior authorization for prescription drugs**

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Senate Bill 382 directs the Department of Consumer and Business Services (DCBS), in consultation with the Oregon Health Authority (OHA), to develop a form that health care providers in Oregon must use to request prior authorization for prescription benefits.

Currently, insurance providers require prior authorization forms for certain medications. Often, providers will have different forms for different medications; additionally, different insurance providers have different forms. This bill simplifies the form to a uniform template with the aim of increasing administrative efficiency, and reducing the administrative costs.

Passage of this bill is anticipated to have minimal fiscal impact for DCBS and OHA. The two agencies will use existing staff and resources comply with the provisions of this bill.

The Subcommittee on Human Services recommends SB 382 be amended and be reported out “do pass” as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Freeman  
Carrier – Senate: Sen. Bates

**Revenue:**

**Fiscal:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Kim To, Legislative Fiscal Office

**Meeting Date:** June 12, 2013

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**WHAT THE MEASURE DOES:** Directs Department of Consumer and Business Services (DCBS) and Oregon Health Authority (OHA) to jointly develop form that health care providers in Oregon must use to request prior authorization for prescription benefits. Requires health care providers and all health benefit plan insurers, public and private, use form. Adds requirement that form include space for additional necessary information. Operative date of July 1, 2015. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Fiscal impact

**EFFECT OF COMMITTEE AMENDMENT:** Adds the provisions of this bill to the Insurance Code. Provide that additional information may be requested.

**BACKGROUND:** Currently, insurance providers require prior authorization forms for certain medications. Often, the providers will have different forms for different medications; additionally, different insurance providers have different forms. The result is that providers generally have dedicated staff to determine the appropriate prior authorization form to use for any given insurance company. Recently a number of insurance providers in Oregon have voluntarily reduced the number of prior authorization forms they require from providers; however there are still insurance providers that have multiple forms.

Senate Bill 382 simplifies the form to a uniform design and length to reduce the administrative costs associated with prescribing medications that require prior authorization from insurance providers.

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 382**

1 On page 1 of the printed A-engrossed bill, after line 4, insert:

2 **“SECTION 1. Section 2 of this 2013 Act is added to and made a part**  
3 **of the Insurance Code.”.**

4 In line 5, delete “1” and insert “2”.

5 Delete line 11 and insert:

6 “(d) Include a provision under which additional information may be re-  
7 quested and provided.”.

8 In line 13, delete “accept” and insert “allow the use of”.

9 In line 17, after “section” insert “and all supporting documentation  
10 needed to process the request”.

11 In line 19, delete “2” and insert “3”.

12 In line 24, delete “1” and insert “2”.

13 On page 3, line 27, delete “3” and insert “4” and delete “Section 1” and  
14 insert “Section 2”.

15 In line 28, delete “2” and insert “3”.

16 In line 33, delete “1” and insert “2”.

17 In line 34, delete “2” and insert “3”.

18 In line 35, delete “4” and insert “5”.

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