

REVENUE: No revenue impact  
FISCAL: Fiscal statement issued

---

<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	8 - 1 - 0
<b>Yeas:</b>	Clem, Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Greenlick
<b>Nays:</b>	Weidner
<b>Exc.:</b>	0
<b>Prepared By:</b>	Tyler Larson, Administrator
<b>Meeting Dates:</b>	3/15, 4/1

---

**WHAT THE MEASURE DOES:** Requires licensure from State Board of Pharmacy to act as pharmacy benefit manager (PBM). Requires board establish rules for obtaining and renewing license. Allows board to refuse to issue or renew, suspend or revoke PBM license for specified conduct. Imposes limits on audits of pharmacies. Limits drugs be placed on maximum allowable cost (MAC) list. Requires PBMs disclose sources informing MAC list to network pharmacies and establish process for network pharmacy to request adjustment of MAC price.

**ISSUES DISCUSSED:**

- Work group history
- Impact of PBMs on local pharmacies
- PBM regulations in other states
- PBM audit procedures
- State Board of Pharmacy authority to license PBMs
- MAC pricing

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the measure.

**BACKGROUND:** The Oregon State Board of Pharmacy (OSBP) regulates the practice of Pharmacy and enforces laws regarding pharmacists, drug outlets and the sale of drugs in Oregon. OSBP licenses pharmacists, registers and inspects retail and hospital pharmacies and stores that sell over the counter drugs, registers and inspects drug wholesalers and manufacturers and regulates the quality and distribution of drugs in Oregon.

A pharmacy benefit manager (PBM) is a third party administrator of prescription drug programs, and are primarily responsible for processing and paying prescription drug claims. Proponents assert that PBMs are profitable at the expense of pharmacies, and that audit procedures based on technicalities and undisclosed pricing practices endanger small pharmacies in Oregon.

House Bill 2123-A requires PBMs to be licensed by the OSBP, establishes regulations for audits of pharmacies and creates regulations around maximum allowable cost (MAC) pricing lists used by PBMs.

4/2/2013 2:57:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*