

Joint Committee on Ways and Means

Carrier – House: Rep. Bailey  
Carrier – Senate: Sen. Steiner Hayward

**Revenue:** No revenue impact

**Fiscal:** Fiscal statement issued

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

**Vote:** 24 – 0 – 2

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, Nathanson, Read, Richardson, Smith, Williamson

Nays:

Exc: McLane, Tomei

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

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

**Meeting Date:** June 12, 2013

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**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:**

- Indeterminate Other Funds fiscal impact

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the bill. Requires a pharmacy benefit manager (PBM) to register with the Department of Consumer and Business Services, and to annually renew the registration. Establishes limitations and requirements for an audit of a pharmacy by a PBM, an insurer, a third party administrator, a state agency or a person that represents or is employed by one of those entities. Imposes requirements on a PBM relating to their list of drugs for which maximum allowable costs have been established.

**BACKGROUND:** 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-A10 requires PBMs to register with DCBS, establishes regulations for audits of pharmacies and creates regulations around maximum allowable cost (MAC) pricing lists used by PBMs.