77th OREGON LEGISLATIVE ASSEMBLY – 2014 Regular Session STAFF MEASURE SUMMARY Senate Committee on Health Care and Human Services

FISCAL: Minimal fiscal impact, no statement issued	
Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Knopp, Kruse, Shields, Steiner Hayward, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	2/17, 2/20, 2/24

REVENUE: No revenue impact

WHAT THE MEASURE DOES: Authorizes practitioners to electronically transmit prescriptions for Schedule II controlled substances in nonemergency situations. Defines step therapy. Requires prescribers have access to clear explanation of clinical criteria for a step therapy protocol, the process by which a prescriber may submit to the plan the practitioner's medical rational, and specifies that documentation, if any, that a practitioner must submit to the plan for the plan to determine appropriateness for a specific patient. Adds language to the coordinated care organization statute. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- E-prescribing requirements
- Advantages of e-prescribing for providers and pharmacies
- Current federal regulations
- Proposed amendment relating to step therapy
- Coordinated care organizations concerns
- Current Oregon Administrative Rules directives
- Importance of step therapy protocol consistencies within a plan and between a plan

EFFECT OF COMMITTEE AMENDMENT: Defines step therapy. Requires prescribers have access to clear explanation of clinical criteria for a step therapy protocol, the process by which a prescriber may submit to the plan the practitioner's medical rational, and specifies that documentation, if any, that a practitioner must submit to the plan for the plan to determine appropriateness for a specific patient. Adds language to the coordinated care organization statute.

BACKGROUND: Currently, ORS 475.185 prohibits electronic prescriptions for Schedule II controlled substances. Federal law allows e-prescribing of controlled substances II - V, putting Oregon out of step with federal regulations. Schedule II list of drugs can include opiates – such as codeine or morphine, or stimulants.

Step therapy is a management technique employed by managed care health plans to control prescription drug utilization. Typically, step therapy (sometimes referred to as "fail-first") protocols require a patient to try a particular medication or series of medications prior to obtaining other drugs to treat a specific condition. Insurers suggest that the technique is a valuable tool to ensure appropriate utilization and control costs. Others express concern that step therapy in unnecessarily time-consuming for providers and that it establishes barriers for patients in need of therapy which may lead to costly, unintended consequences.