

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 93 - 5

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires reimbursement for up to 60-day supply of prescription drug that is prescribed for chronic condition.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Department of Consumer and Business Services (DCBS)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

Senate Bill 93 with the – 5 amendment requires prescription drug benefit programs and health benefit plans to provide reimbursement for up to a 90-day supply of a prescription medication dispensed by a pharmacy if that medication is covered by the program or plan, the drug is a generic, and a 30-day supply has been dispensed to the policyholder. The bill specifies that this does not apply to drugs classified as a controlled substance in Schedule II.

Public Employees' Benefit Board (PEBB)

Currently, PEBB only offers a 90 day supply of generic prescriptions at preferred pharmacies or by mail order. According to PEBB's largest carrier and administrative consultant, the bill could have a potential fiscal impact of \$11,578,301 Other Funds in the 2015-17 biennium and \$15,437,735 Other Funds in 2017-19 which could translate to a potential 1.10% premium increase. This financial assessment assumes switching from mail order to retail due to lower copays, as well as additional cost due to loss of copays for 60 days of supplies at retail. It also considers the waste associated with a 90 day supply.

Oregon Educators Benefit Board (OEBB)

The fiscal impact of this bill to OEBB is minimal. OEBB's largest carrier projects a fiscal impact of \$7,309 Other Funds in the 2015-17 biennium and \$9,745 in 2017-19 which could translate to a potential 0.001% premium increase.

The difference between PEBB and OEBB projections are due to two main factors: (1) PEBB is self-insured, and OEBB is insured; (2) the drug formularies for each plan differ.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill to DCBS is anticipated to be minimal.