

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Greenlick

Joint Committee On Ways and Means

Action: Do Pass.

Action Date: 06/29/15

Vote:

House

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Senate

Yeas: 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Whitsett, Winters

Exc: 1 - Thomsen

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Kim To, Legislative Fiscal Office

Agency: Oregon Health Authority

Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 850,800	\$ 850,800	100.0%
Total	\$ -	\$ -	\$ 850,800	\$ 850,800	100.0%

Position Summary

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

Revenue Summary

The Public Employees Benefit Board and the Oregon Educators Benefit Board within the Oregon Health Authority have the authority to raise premium rates to cover the additional costs of carrying out the provisions of the Senate Bill 841.

Summary of Human Services Subcommittee Action

Senate Bill 841 requires a health plan to reimburse the cost of prescription drugs dispensed in accordance with the plan’s synchronization policy; and prorate the copayment or adjust the copayment using a method approved by the Department of Consumer and Business Services for drugs dispensed in a less than 30-day supply for the purpose of synchronizing a patient’s prescription drug refills. It also requires a health plan to reimburse, fully, the dispensing fee for partially filled or refilled prescription drugs. It exempts prescriptions when unit-of-use packaging cannot be synchronized, drugs are controlled substances, or drugs have a high risk of diversion. It specifies coverage may be limited by formulary restrictions applied to a prescription drug by a health plan. It exempts from the bill's provisions any prepaid group practice health plan with at least 200,000 enrollees in Oregon. It requires the Oregon Health Authority to implement a synchronization policy for the dispensing of prescription drugs to recipients of medical assistance who are not enrolled in a coordinated care organization. The synchronization policy applies to health plans issued or renewed on or after January 1, 2017.

Oregon Educators Benefit Board

Moda Health, Oregon Educators Benefit Board’s (OEBB) largest health insurer, projects passage of this bill could result in a 0.06 percent increase in premium for the OEBB medical plans administered by Moda. This increase translates to a potential fiscal impact of \$219,256 Other Funds for the 2015-17 biennium. The increased premiums are associated with the additional costs of processing copays for prorating prescriptions less than 30 days. The Subcommittee approved an increase of \$219,256 Other Funds expenditure limitation for this expenditure.

Public Employees' Benefit Board

Providence, Public Employees' Benefit Board (PEBB) largest health insurer, also projects a 0.06 percent increase in premium for the PEBB medical plans administered by Providence. This increase translates to a potential fiscal impact of \$631,544 Other Funds for the 2015-17 biennium. The increased premiums are associated with the additional costs of processing copays for prorating prescriptions less than 30 days. The Subcommittee approved an increase of \$631,544 Other Funds expenditure limitation for this expenditure.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 841-B

Oregon Health Authority
 Art Ayre -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
SCR 020-02 - Public Employees' Benefit Board									
Special Payments (6085 - Other Special Payments)	\$ -	\$ -	\$ 631,544	\$ -	\$ -	\$ -	\$ 631,544		
SCR 020-03 - Oregon Educators Benefit Board									
Special Payments (6085 - Other Special Payments)	\$ -	\$ -	\$ 219,256	\$ -	\$ -	\$ -	\$ 219,256		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 850,800	\$ -	\$ -	\$ -	\$ 850,800	0	0.00