

FISCAL IMPACT OF PROPOSED LEGISLATION

78th Oregon Legislative Assembly – 2016 Regular Session
Legislative Fiscal Office

Measure: SB 1505 - A

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

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Date: 2/10/2016

Measure Description:

Authorizes Department of Consumer and Business Services to adopt by rule fees that are reasonably calculated to pay costs associated with administering laws regulating pharmacy benefit managers.

Government Unit(s) Affected:

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 1505 removes the \$50 cap on the pharmacy benefit manager registration and renewal fees, and allows the Department of Consumer and Business Services (DCBS) to set these fees by rule at an amount that is reasonably calculated to pay the costs incurred by DCBS in administering the statutes pertaining to pharmacy benefit managers. The bill also establishes enforcement guidelines, and authorizes DCBS to impose a civil penalty not to exceed \$10,000 on pharmacy benefit managers in violation of these statutes. The bill stipulates that all moneys collected from this statute are to be appropriated to DCBS for the purpose of administering and enforcing the pharmacy benefit managers program.

Passage of this bill will have a minimal impact on the Department of Consumer and Business Services.

However, passage of this bill will have a fiscal impact on the state's General Fund. Under current law [ORS 731.292 subsection (2)], penalties paid pursuant to the Insurance Code after deductions of refunds are to be deposited in the General Fund. If this bill passes, all moneys from penalties paid by pharmacy benefit managers will be funneled directly to the DCBS general operating fund instead of to the General Fund.