

Requested by Senator KRUSE

**PROPOSED AMENDMENTS TO  
SENATE BILL 1505**

1 On page 1 of the printed bill, line 2, delete “735.530,”.

2 In line 3, delete “735.534,”.

3 Delete lines 5 through 27 and delete pages 2 through 5 and insert:

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5

**“FEES**

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7 **“SECTION 1. ORS 735.532 is amended to read:**

8 “735.532. (1) To conduct business in this state, a pharmacy benefit man-  
9 ager must register with the Department of Consumer and Business Services  
10 and annually renew the registration.

11 “(2) To register under this section, a pharmacy benefit manager must:

12 “(a) Submit an application to the department on a form prescribed by the  
13 department by rule.

14 “(b) Pay a registration fee[, *not to exceed \$50,*] adopted by the department  
15 by rule.

16 “(3) To renew a registration under this section, a pharmacy benefit man-  
17 ager must pay a renewal fee[, *not to exceed \$50,*] adopted by the department  
18 by rule.

19 **“(4) Fees adopted under subsections (2)(b) and (3) of this section**  
20 **must be reasonably calculated to pay the costs incurred by the de-**  
21 **partment under ORS 735.530 to 735.552.**



1 **this section by each pharmacy benefit manager.**

2  
3 **“OTHER AMENDMENTS**

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5 **“SECTION 5.** ORS 735.544 is amended to read:

6 “735.544. An [entity’s] **entity or an independent third party that con-**  
7 **tracts with an entity must base a** finding that a claim was incorrectly  
8 presented or paid [*must be based*] on identified transactions and not [*based*]  
9 on probability sampling, extrapolation or other means that project an error  
10 using the number of patients served who have a similar diagnosis or the  
11 number of similar prescriptions or refills for similar drugs.

12 **“SECTION 6.** ORS 735.550 is amended to read:

13 “735.550. (1)(a) After conducting an audit **or having an audit**  
14 **conducted**, an entity must provide the pharmacy that is the subject of the  
15 audit with a preliminary report of the audit. The preliminary report must  
16 be received by the pharmacy no later than 45 days after the date on which  
17 the audit was completed and must be sent:

18 “(A) By mail or common carrier with a return receipt requested; or

19 “(B) Electronically with electronic receipt confirmation.

20 “(b) An entity shall provide a pharmacy receiving a preliminary report  
21 under this subsection no fewer than 45 days after receiving the report to  
22 contest the report or any findings in the report in accordance with the ap-  
23 peals procedure established under ORS 735.542 (1) and to provide additional  
24 documentation in support of the claim. The entity shall consider a reasonable  
25 request for an extension of time to submit documentation to contest the re-  
26 port or any findings in the report.

27 “(2) If an audit results in the dispute or denial of a claim, the entity  
28 conducting the audit shall allow the pharmacy to resubmit the claim using  
29 any commercially reasonable method, including facsimile, mail or electronic  
30 mail.

1       “(3) An entity must provide a pharmacy that is the subject of an audit  
2 with a final report of the audit no later than 60 days after the later of the  
3 date the preliminary report was received or the date the pharmacy contested  
4 the report using the appeals procedure established under ORS 735.542 (1).  
5 The final report must include a final accounting of all moneys to be recov-  
6 ered by the entity.

7       “(4) Recoupment of disputed funds from a pharmacy by an entity or re-  
8 payment of funds to an entity by a pharmacy, unless otherwise agreed to by  
9 the entity and the pharmacy, shall occur after the audit and the appeals  
10 procedure established under ORS 735.542 (1) are final. If the identified dis-  
11 crepancy for an individual audit exceeds \$40,000, any future payments to the  
12 pharmacy may be withheld by the entity until the audit and the appeals  
13 procedure established under ORS 735.542 (1) are final.

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#### “UNIT CAPTIONS

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17       “**SECTION 7. The unit captions used in this 2016 Act are provided**  
18 **only for the convenience of the reader and do not become part of the**  
19 **statutory law of this state or express any legislative intent in the**  
20 **enactment of this 2016 Act.”.**

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