

SB 793 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 3/9

WHAT THE MEASURE DOES:

Requires drug manufacturers to report to the Department of Consumer and Business Services (DCBS) the prices of prescription drugs sold in Oregon. Requires drug manufacturers to report to DCBS any increase in the price of a prescription drug if the drug has been available for sale in Oregon for at least three years. Authorizes DCBS to review price increases, supporting documentation from manufacturers, and determine if the price increase is excessive. Provides DCBS with the authority to require manufacturers to refund purchasers of a prescription drug if the agency determines the price to be excessive. Provides DCBS with the authority to administer oaths, subpoena witnesses and records.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Pharmaceutical expenditures in the U.S. are effected by access to and use of utilization of prescription drugs, clinical breakthroughs and introduction of new medications, price negotiation among public and private payers, and a complex set of legal and regulatory policies, among other factors. The increasing cost of prescription drugs has and continues to serve as an important issue for patients, payers, and policy makers. According to an article in the Journal of the American Medical Association (2016), between 2013-2015, spending on prescription drugs increased approximately 20% with government entities paying for approximately 40% of the country's total retail prescription drug costs.

Senate Bill 793 would provide the Department of Consumer and Business Services the authority to regulate increases in the costs of prescription drugs in Oregon.