

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: SB 272

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

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Measure Description:

Defines "prescription drug formulary" for purposes of Insurance Code.

Government Unit(s) Affected:

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

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Health Care to the House Committee Rules.

Senate Bill 272 defines "prescription drug formulary" under the Insurance Code to mean the complete list of drugs preferred for use and eligible for reimbursement under a health insurance policy. The bill requires carriers offering group or individual coverage for prescription drugs to make specific information about prescription drug formularies available on the carrier's website and through a toll-free telephone number. The bill also prohibits a carrier from making changes to its prescription drug formulary more than once every 12-month period unless based on alert issued by United States Food and Drug Administration and requires carriers to provide notice of additions or deletions to the prescription drug formulary no later than 72 hours after the effective date of the change. Notification of formulary changes related to drug strength or form must be provided within 14 days after the change is effective. The bill requires carriers to disclose the amount an enrollee would typically have to pay for each drug on the formulary. This disclosure must be shown by a dollar range such as \$100 or less, more than \$100 but not more than \$250. Additionally, carriers must also disclose any prior authorization, step therapy, or other utilization control that applies to each drug on the formulary.

This bill is anticipated to have a fiscal impact to the Oregon Health Authority. The amount of this impact is still being determined. A more complete fiscal analysis on the bill will be prepared as the measure is considered in the House Committee on Rules.

Further Analysis Required