

HB 2300 A STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 04/17/17

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Alonso Leon, Buehler, Greenlick, Hack, Hayden, Kennemer, Keny-Guyer, Malstrom, Nosse

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Creates a 12-member Mental Health Clinical Advisory Group within the Oregon Health Authority. Specifies the membership. Specifies that the Group is to develop voluntary evidence-based algorithms for mental health drug treatment of medical assistance clients who have mental health disorders. Outlines criteria for recommendations and guidelines to consider.

ISSUES DISCUSSED:

- Current prescription drug costs
- Integrating mental health drugs into the coordinated care model
- Provisions of the measure
- Importance of medications being based on clinical evidence
- Proposed amendment

EFFECT OF AMENDMENT:

Replaces original measure.

BACKGROUND:

According to a 2016 article in the Journal of the American Medical Association , "in 2013, per capita spending on prescription drugs was \$858 compared with an average of \$400 for 19 other industrialized nations. In the United States, prescription medications now comprise an estimated 17 percent of overall personal health care services. The most important factor that allows manufacturers to set high drug prices is market exclusivity, protected by proprietary rights awarded upon Food and Drug Administration approval and by patents. The availability of generic drugs after this exclusivity period is the main means of reducing prices in the United States, but access to them may be delayed by numerous business and legal strategies. The primary counterweight against excessive pricing during market exclusivity is the negotiating power of the payer, which is currently constrained by several factors, including the requirement that most government drug payment plans cover nearly all products. Another key contributor to drug spending is physician prescribing choices when comparable alternatives are available at different costs."