

HB 4103 -2 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 2/12, 2/14

WHAT THE MEASURE DOES:

Prohibits a pharmacy benefit manager (PBM) registered in Oregon from requiring enrollees from filling or refilling a prescription at a mail order pharmacy. Prohibits PBMs from imposing additional costs or use of other methods to require individuals to use mail order pharmacy. Requires PBMs to reimburse retail pharmacists the cost of a prescription drug at a rate equivalent to the reimbursement cost paid to a mail order pharmacy owned or controlled by the PBM. Defines terms.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Specifies restrictions on PBMs. Defines terms.

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

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

BACKGROUND:

Pharmacy benefit managers (PBM) administer drug benefit programs according to contractual relationships between wholesalers and manufacturers and health insurers or employers. Some PBM services include processing and analyzing prescription claims, contracting with a network of pharmacies, and developing and managing formularies and prior authorization programs. Currently, there are more than 40 entities registered as PBMs doing business in Oregon. Nationally, PBMs manage the drug benefits for an estimated 95 percent of all patients with drug coverage.

In 2016, in a budget note in Senate Bill 5701, the Department of Consumer and Business Services (DCBS) was directed to convene a work group to develop recommendations for rulemaking regarding PBM compliance.

Recommendations included: DCBS playing a limited role as registrar of active PBMs, consistent with the statutory registration fee; minimal enforcement changes by rule or legislation; and authorizing DCBS to suspend or revoke registrations for noncompliance with statute or rule.

House Bill 2388 (2017) authorizes DCBS to deny, revoke, or suspend a PBM's registration under specific conditions. The measure also directs DCBS to establish a process for pharmacies or pharmacy representatives to file complaints against PBMs and to develop an appropriate registration fee structure.