

HB 4151 -2 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/12, 2/14

WHAT THE MEASURE DOES:

Requires state entities to purchase prescription drugs through the Oregon Prescription Drug Program (OPDP). Establishes exemptions for local and special governments.

ISSUES DISCUSSED:

- History and impact of the Oregon Prescription Drug Program (OPDP)
- Potential administrative barriers to joining OPDP
- Creation of an advisory committee to study potential savings if state agencies, local governments and other entities all participated in OPDP

EFFECT OF AMENDMENT:

-2 Replaces the measure. Establishes an advisory committee to study and make recommendations to modify the Oregon Prescription Drug Program. Specifies study criteria and committee membership. Requires Oregon Health Authority to conduct a comprehensive analysis using a third-party. Requires advisory committee to complete and submit the study report, its findings and recommend legislative changes to the interim committee related to health of the House of Representatives no later than 18 months after effective date. Allows coordinated care organizations to participate in the Oregon Prescription Drug Program.

REVENUE: Revenue lite issued.

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

BACKGROUND:

Senate Bill 875 (2003) created the Oregon Prescription Drug Program (OPDP), which serves as a prescription drug purchasing pool. OPDP provides drugs at discounts to individuals who have no insurance or whose insurance does not cover their drugs. OPDP also provides discounted drugs for members of the Public Employees' Benefit Board (PEBB), some Oregon Educators Benefit Board (OEBB) members, Oregon Health and Science University (OHSU), Salem Hospital and other groups throughout the state. All Oregonians may participate in the OPDP through a prescription medication discount program.

In 2006, Oregon and Washington established the Northwest Prescription Drug Consortium. Through the combined purchasing power of the Consortium both states have realized savings on the purchases of prescription medications. In addition, the Consortium offers additional opportunities for shared efficiencies by reducing each program's administrative costs. Public and private sector group pharmacy benefit plans may join the OPDP and use services provided by the Consortium Contract including transparency, competitive pricing and quality services. As of 2016, more than 450,000 Oregonians were enrolled in the Northwest Consortium with annual purchases of \$130 million. There are over 950,000 enrollees in total enrolled in the two-state program for a combined annual purchasing amount of \$480 million (Moda, 2016). In 2015, the passage of House Bill 2638 permits Medicaid enrollees and coordinated care organizations to purchase prescription drugs through the OPDP.

House Bill 4151 requires PEBB, OEBB, OHSU, and state agencies to participate in the Oregon Prescription Drug Program.