

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

Sen. Peter Courtney, Senate Co-Chair  
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair  
Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. Dan Rayfield, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** Transportation and Economic Development Subcommittee

**From:** Kim To, Legislative Fiscal Office

**Date:** February 20, 2018

**Subject:** HB 4005 – Relating to the price of prescription drugs  
Work Session Recommendations

HB 4005 establishes the Prescription Drug Price Transparency Act requiring manufacturers of prescription drugs sold in Oregon to report specified information to the Department of Consumer and Business Services (DCBS). The bill also requires insurers to include specified information regarding reimbursement of certain drugs along with current filing of health insurance rates. The bill authorizes DCBS to establish fees to be paid by manufacturers to pay the costs of carrying out the provisions of the bill.

The measure previously had hearings in the House Committee on Health Care on 2/5/2018 and 2/9/2018.

### **Fiscal impact**

Based on the number of manufacturers currently licensed by the Oregon Board of Pharmacy and national trends in prescription drug prices, DCBS projects the cost of complying with the provisions of this bill to be \$425,022 Other Funds, 3 positions, 1.50 FTE for the 2017-19 biennium; and \$577,120 Other Funds, 3 positions, 3 FTE for the 2019-21 biennium. Funding for this program will be derived from fees to be paid to DCBS by manufacturers. Such fees will be set via rulemaking and are yet to be determined.

### **Recommended Changes**

LFO recommends adoption of the following amendments:

- The -A11 amendment - makes a clarifying language change.
- The -A13 amendment - adds a limitation for DCBS to establish and implement the Prescription Drug Price Transparency program.
- The -A15 amendment - specifies a March 15, 2019 starting date for the reporting of new prescription drugs information by manufacturers to DCBS, and sets March 15, 2019 as the operative date for provisions related to manufacturers reporting requirements.
- The -A23 amendment - modifies reporting dates, and establishes the 18-member Task Force on the Fair Pricing of Prescription Drugs charged with developing a strategy to create transparency for drug prices across the supply chain.

These amendments do not change the original fiscal determination.

MOTION: I move adoption of the -A11, -A13, -A15, and -A23 amendments to HB 4005. (VOTE)

**Final Subcommittee Action**

LFO recommends that HB 4005, as amended by the -A11, -A13, -A15, and -A23 amendments, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 4005, as amended, to the Full Committee with a do pass recommendation. (VOTE)

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_