

HB 4005 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Kim To, Legislative Fiscal Office

Department of Consumer and Business Services

2017-19

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Adopted Budget	2018 Committee Recommendation	Committee Change From 2017-19 Leg. Adopted	
			\$ Change	% Change
Other Funds	\$ -	\$ 425,022	\$ 425,022	100.0%
Total	\$ -	\$ 425,022	\$ 425,022	100.0%

Position Summary

Authorized Positions	0	3	3
Full-time Equivalent (FTE) Positions	0.00	1.50	1.50

* Excludes Capital Construction Expenditures

Summary of Revenue Changes

House Bill 4005 requires prescription drug manufacturers to report information annually on prescription drug prices and costs associated with developing and marketing prescription drugs to the Department of Consumer and Business Services. Revenues to support the administration of the reporting requirement come from fees levied on drug manufacturers. The civil penalty charges of up to \$10,000 per day for non-compliance are dedicated to the General Fund.

Summary of Transportation and Economic Development Subcommittee Action

The Subcommittee approved \$425,022 Other Funds expenditure limitation and three positions (1.50 FTE) for the Department of Consumer and Business Services (DCBS) to administer the reporting program established in House Bill 4005. The bill requires drug manufacturers who make prescription drugs sold in Oregon to report to DCBS the information related to increased prices over a specified threshold. DCBS will compile the reports, follow up with manufacturers where necessary, and maintain a list of prescription drugs on its website.

The Department will need an Operations and Policy Analyst 3, a Research Analyst 3, and an Administrative Specialist 1 to complete the rulemaking, reporting and data analysis requirements under the bill. The Department also anticipates needing \$92,500 in Services and Supplies for higher Attorney General charges, one-time costs of \$84,000 to modify existing databases to support the new reporting requirements, one-time costs of \$16,800 for furniture and IT equipment for the new positions, and \$14,667 for other position-related Services and Supplies.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Consumer and Business Services
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
SCR 018 - Division of Financial Regulation									
Personal Services	\$ -	\$ -	\$ 217,055	\$ -	\$ -	\$ -	\$ 217,055	3	1.50
Services and Supplies	\$ -	\$ -	\$ 207,967	\$ -	\$ -	\$ -	\$ 207,967		
TOTAL SUBCOMMITTEE ADJUSTMENTS	\$ -	\$ -	\$ 425,022	\$ -	\$ -	\$ -	\$ 425,022	3	1.50