

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 4151 - A

79th Oregon Legislative Assembly – 2018 Regular Session  
Legislative Fiscal Office*Only Impacts on Original or Engrossed  
Versions are Considered Official*Prepared by: Kim To  
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Date: 2/15/2018**Measure Description:**

Requires administrator of the Oregon Prescription Drug Program to establish an advisory committee to study and make recommendations regarding changes to the Oregon Prescription Drug Program.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Department of Corrections (DOC), Oregon Youth Authority (OYA), Oregon Health Sciences University (OHSU), Public Employees Retirement System (PERS), tribal governments, counties

**Summary of Expenditure Impact:**

Costs related to the measure may require budgetary action - See analysis.

	<b>2017-19 Biennium</b>	<b>2019-21 Biennium</b>
Personal Services	\$136,044	\$27,209
Services & Supplies	147,045	59,627
<b>Total General Fund</b>	<b>\$283,089</b>	<b>\$86,836</b>
Personal Services		\$190,462
Services & Supplies		32,706
<b>Total Other Funds</b>	<b>\$0</b>	<b>\$223,168</b>
Personal Services	\$136,044	\$217,671
Services & Supplies	147,045	92,333
<b>TOTAL FUNDS</b>	<b>\$283,089</b>	<b>\$310,004</b>
Positions	1	1
FTE	0.63	1.00

**Analysis:**

HB 4151 directs the administrator of the Oregon Prescription Drug Program (OPDP) to establish an advisory committee to study and make recommendations regarding changes to OPDP, including exploring the possibility of requiring more entities to participate in OPDP. The bill specifies information that must be collected and studied, including analyzing savings from OPDP by each participating agency and the aggregate savings to the state. The committee must complete the study and report to OHA no later than 18 months after the effective date of this bill. The bill is effective 91 days after the end of the 2018 legislative session. The OPDP administrator must report to an interim legislative committee by December 31, 2018. The advisory committee sunsets December 31, 2020.

In addition, the bill adds coordinated care organizations to the list of entities that may participate in OPDP.

Oregon Health Authority (OHA)

OHA estimates the fiscal impact of this bill to be \$283,089 General Fund, 1 position, 0.63 FTE for the 2017-19 biennium; and \$310,004 Total Funds, 1 position, 1 FTE for the 2019-21 biennium. These amounts reflect the cost of one Operations and Policy Analyst 4 position to support the work of the advisory committee and to perform

ongoing work to manage additional entities predicted to join OPDP. Included in the 2017-19 services and supplies amount is \$100,000 General Fund to contract with a vendor to conduct a comprehensive analysis of the data collected by the advisory committee. The bill requires OHA to contract with an entity with appropriate expertise to perform this comprehensive analysis.

The need for start-up General Fund is due to the fact that to cover the administration of the program, the Oregon Prescription Drug Program currently receives a nominal fee for each prescription obtained using an OPDP issued identification card. However, current revenues from these fees are not sufficient to cover the initial work of the advisory committee required by this bill. OHA anticipates that recommendations from the advisory committee that result in increased use of the OPDP program would generate additional revenue which would then be used to fund the remaining work of the advisory committee, as well as to cover increased administrative costs for an expanded OPDP.

Although OHA projects \$223,168 Other Funds for the 2019-21 biennium as a place marker, the revenue impact of the expanded OPDP is indeterminate depending on the recommendations of the advisory committee and the number of new entities participating in the program.

Department of Corrections (DOC), Oregon Youth Authority (OYA), Oregon Health Sciences University (OHSU), Public Employees Retirement System (PERS), tribal governments, counties

The fiscal impact of this bill to the above listed entities is anticipated to be minimal. The advisory committee must include representatives from DOC, OYA, county and tribal governments, as well as other state agencies that directly or indirectly purchase prescription drugs. This fiscal impact statement assumes that these entities will reprioritize duties to attend meetings, and use existing staff and resources to furnish the task force with existing available data, information, advice, and other support.