

Requested by Representative SALINAS

**PROPOSED AMENDMENTS TO
HOUSE BILL 4151**

1 On page 1 of the printed bill, line 2, after the semicolon delete the rest
2 of the line and insert “creating new provisions; amending ORS 414.312; and
3 prescribing an effective date.”.

4 Delete lines 4 through 30 and delete pages 2 and 3 and insert:

5 **“SECTION 1. (1) The administrator of the Oregon Prescription Drug**
6 **Program shall establish an advisory committee to study and make**
7 **recommendations regarding changes to the Oregon Prescription Drug**
8 **Program. As part of the study, the advisory committee shall:**

9 **“(a) Consider requiring all entities described in ORS 414.312 (4)(a)**
10 **to (d) and (h) to participate in the program;**

11 **“(b) Identify barriers to participation in the program;**

12 **“(c) Identify opportunities to take advantage of existing purchasing**
13 **arrangements that may be available to the program;**

14 **“(d) Identify flexibility required to serve the needs of specific pop-**
15 **ulations;**

16 **“(e) Develop a plan to implement group purchasing of prescription**
17 **drugs by the program; and**

18 **“(f) Analyze the savings from the program by each participating**
19 **agency and the aggregate savings to the state.**

20 **“(2) The membership of the advisory committee must include:**

21 **“(a) A representative of each governmental unit or state agency**

1 **described in ORS 414.312 (4), including:**

2 **“(A) The Department of Corrections;**

3 **“(B) The Oregon Youth Authority;**

4 **“(C) The Oregon Health Authority division that is responsible for**
5 **public health; and**

6 **“(D) Other state agencies identified by the Oregon Department of**
7 **Administrative Services that directly or indirectly purchase pre-**
8 **scription drugs;**

9 **“(b) Representatives of tribal governments;**

10 **“(c) A member of an association representing county governments;**

11 **“(d) A member of an association representing local health officials;**
12 **and**

13 **“(e) Representatives of coordinated care organizations.**

14 **“(3) The Oregon Health Authority shall contract with a person that**
15 **has appropriate expertise to conduct a comprehensive analysis of the**
16 **data collected by the advisory committee.**

17 **“(4)(a) No later than December 31, 2018, the administrator shall re-**
18 **port to the interim committee of the House of Representatives related**
19 **to health the status of the advisory committee’s study, information**
20 **collected and data analyzed.**

21 **“(b) The advisory committee shall complete its study no later than**
22 **18 months after the effective date of this 2018 Act and shall report its**
23 **findings and analysis to the authority. The administrator shall report**
24 **to the interim committee of the House of Representatives related to**
25 **health, in the manner provided in ORS 192.245, the advisory**
26 **committee’s recommendations for the program and for legislative**
27 **changes, if any, necessary to implement the recommendations.**

28 **“SECTION 2. ORS 414.312 is amended to read:**

29 **“414.312. (1) As used in ORS 414.312 to 414.318:**

30 **“(a) ‘Pharmacy benefit manager’ means an entity that negotiates and ex-**

1 ecutes contracts with pharmacies, manages preferred drug lists, negotiates
2 rebates with prescription drug manufacturers and serves as an intermediary
3 between the Oregon Prescription Drug Program, prescription drug manufac-
4 turers and pharmacies.

5 “(b) ‘Prescription drug claims processor’ means an entity that processes
6 and pays prescription drug claims, adjudicates pharmacy claims, transmits
7 prescription drug prices and claims data between pharmacies and the Oregon
8 Prescription Drug Program and processes related payments to pharmacies.

9 “(c) ‘Program price’ means the reimbursement rates and prescription drug
10 prices established by the administrator of the Oregon Prescription Drug
11 Program.

12 “(2) The Oregon Prescription Drug Program is established in the Oregon
13 Health Authority. The purpose of the program is to:

14 “(a) Purchase prescription drugs, replenish prescription drugs dispensed
15 or reimburse pharmacies for prescription drugs in order to receive discounted
16 prices and rebates;

17 “(b) Make prescription drugs available at the lowest possible cost to
18 participants in the program as a means to promote health;

19 “(c) Maintain a list of prescription drugs recommended as the most ef-
20 fective prescription drugs available at the best possible prices; and

21 “(d) Promote health through the purchase and provision of discount pre-
22 scription drugs and coordination of comprehensive prescription benefit ser-
23 vices for eligible entities and members.

24 “(3) The Director of the Oregon Health Authority shall appoint an ad-
25 ministrator of the Oregon Prescription Drug Program. The administrator
26 may:

27 “(a) Negotiate price discounts and rebates on prescription drugs with
28 prescription drug manufacturers or group purchasing organizations;

29 “(b) Purchase prescription drugs on behalf of individuals and entities that
30 participate in the program;

1 “(c) Contract with a prescription drug claims processor to adjudicate
2 pharmacy claims and transmit program prices to pharmacies;

3 “(d) Determine program prices and reimburse or replenish pharmacies for
4 prescription drugs dispensed or transferred;

5 “(e) Adopt and implement a preferred drug list for the program;

6 “(f) Develop a system for allocating and distributing the operational costs
7 of the program and any rebates obtained to participants of the program; and

8 “(g) Cooperate with other states or regional consortia in the bulk pur-
9 chase of prescription drugs.

10 “(4) The following individuals or entities may participate in the program:

11 “(a) Public Employees’ Benefit Board, Oregon Educators Benefit Board
12 and Public Employees Retirement System;

13 “(b) Local governments as defined in ORS 174.116 and special government
14 bodies as defined in ORS 174.117 that directly or indirectly purchase pre-
15 scription drugs;

16 “(c) Oregon Health and Science University established under ORS 353.020;

17 “(d) State agencies that directly or indirectly purchase prescription drugs,
18 including agencies that dispense prescription drugs directly to persons in
19 state-operated facilities;

20 “(e) Residents of this state who lack or are underinsured for prescription
21 drug coverage;

22 “(f) Private entities; [*and*]

23 “(g) Labor organizations; **and**

24 “**(h) Coordinated care organizations as defined in ORS 414.025.**

25 “(5) The administrator may establish different program prices for phar-
26 macies in rural areas to maintain statewide access to the program.

27 “(6) The administrator may establish the terms and conditions for a
28 pharmacy to enroll in the program. A licensed pharmacy that is willing to
29 accept the terms and conditions established by the administrator may apply
30 to enroll in the program.

1 “(7) Except as provided in subsection (8) of this section, the administrator
2 may not:

3 “(a) Contract with a pharmacy benefit manager;

4 “(b) Establish a state-managed wholesale or retail drug distribution or
5 dispensing system; or

6 “(c) Require pharmacies to maintain or allocate separate inventories for
7 prescription drugs dispensed through the program.

8 “(8) The administrator shall contract with one or more entities to perform
9 any of the functions of the program, including but not limited to:

10 “(a) Contracting with a pharmacy benefit manager and directly or indi-
11 rectly with such pharmacy networks as the administrator considers necessary
12 to maintain statewide access to the program.

13 “(b) Negotiating with prescription drug manufacturers on behalf of the
14 administrator.

15 “(9) Notwithstanding subsection (4)(e) of this section, individuals who are
16 eligible for Medicare Part D prescription drug coverage may participate in
17 the program.

18 “(10) The program may contract with vendors as necessary to utilize dis-
19 count purchasing programs, including but not limited to group purchasing
20 organizations established to meet the criteria of the Nonprofit Institutions
21 Act, 15 U.S.C. 13c, or that are exempt under the Robinson-Patman Act, 15
22 U.S.C. 13.

23 **“SECTION 3. Section 1 of this 2018 Act is repealed on December 31,
24 2020.**

25 **“SECTION 4. This 2018 Act takes effect on the 91st day after the
26 date on which the 2018 regular session of the Seventy-ninth Legislative
27 Assembly adjourns sine die.”.**

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