

HB 2678 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Authorizes the Oregon Health Authority (OHA) to utilize prior authorization for prescription drugs, except mental health drugs, that are not listed on the Practitioner-Managed Prescription Drug Plan and are reimbursed in Medicaid on a fee-for-service basis.

REVENUE: May have revenue impact, but no statement yet issued.

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

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

States have passed and continue to explore legislation and policies to control spending on prescription drugs in Medicaid programs, to assist enrollees with their drug expenses. An example is the use of formularies or preferred drug lists. Medicaid managed-care organizations normally require that enrollees use prescription drugs from a formulary or preferred drug list (PDL), which is a list with limited choices of preferred cost-effective drugs within the various “families” of drugs for different conditions. Drugs on the list usually require a co-pay due by the enrollee, or a higher co-pay if an enrollee wants a drug not on the list. The list may be multi-tiered, meaning that the co-pay is contingent on the use of generic or brand-name drugs on the list. For example, the lowest co-pay amount may be for generic drugs, the next higher co-pay for brand-name drugs on the list, and the highest co-pays for brand-name drugs not on the list. Some programs require prior authorization before a drug that is not on the list can be dispensed, which means the prescriber must receive approval by the source paying for the drug before the prescription can be filled.

Oregon’s Practitioner-Managed Prescription Drug Plan (PMPDP) requires the state’s Medicaid plan, the Oregon Health Plan (OHP) to maintain a list of the most cost-effective drugs to prescribe for fee-for-service enrollees (i.e., open-card OHP patients). This list is called the Preferred Drug List (PDL).

House Bill 2678 allows the Oregon Health Authority (OHA) to utilize prior authorization for prescription drugs, in specified circumstances, that are reimbursed in Medicaid on a fee-for-service.