

SB 138 -1 STAFF MEASURE SUMMARY

Senate Committee On Health Care

Prepared By: Brian Nieuburt, LPRO Analyst

Meeting Dates: 2/25

WHAT THE MEASURE DOES:

Reestablishes Mental Health Clinical Advisory Group (Advisory Group) in the Oregon Health Authority (OHA). Specifies membership of the Advisory Group. Requires the Advisory Group to make recommendations to the Pharmacy and Therapeutics Committee. Requires the Advisory Group to report annually to Legislative Assembly on progress in developing evidence-based algorithms for mental health drugs. Appropriates \$500,000 to OHA for Advisory Group. Declares emergency, effective on passage.

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:

-1 Replaces measure. Modifies membership of Advisory Group. Requires Advisory group to report to Legislative Assembly by December 31, 2020 on progress in developing evidence-based algorithms for mental health drugs. Defines "mental health drug." Requires OHA to reimburse the cost of mental health drugs if federal financial participation is available.

BACKGROUND:

In 2017, the Legislative Assembly passed House Bill 2300 which initially established the Mental Health Clinical Advisory Group (Advisory Group) in the Oregon Health Authority (OHA). The Advisory Group sunset on December 31, 2018. The Advisory Group's legislative mandate was to provide recommendations to include:

- implementation of evidence-based algorithms
- any changes needed to any preferred drug list used by the authority
- practice guidelines for the treatment of mental health disorders with mental health drugs

House Bill 3624 (2003) prohibited the Department of Human Services, the agency then responsible for administering the state's Medicaid program, the Oregon Health Plan (OHP), from establishing capitation rates that included payment for mental health drugs and required DHS to reimburse for mental health drugs only on a fee-for-service basis. House Bill 2126 (2009) excluded mental health drugs from the requirement that prescription drugs only be reimbursed if they are included on the Practitioner-Managed Prescription Drug Plan (PMPDP). While this exclusion sunset on January 2, 2018, House Bill 2300 (2017) included the requirement that OHA reimburse the cost of mental health drugs if federal financial participation is available. Taken together, these provisions "carve out" mental health drugs from the application of the state's Preferred Drug List or coordinated care organizations' (CCO) formularies.

Senate Bill 138 reestablishes the Mental Health Clinical Advisory Group to develop algorithms and recommendations for managing mental health prescription drugs within the Oregon Health Plan.

PRELIMINARY