

SB 872: The Fair Drug Pricing Act

From the Official Recommendations of the Joint Interim Task Force on the Fair Pricing of Prescription Drugs

Supply Chain Entity	Official Task Force Recommendation (Summary)	Vote Tally	Applicable Sections in SB 872
Manufacturer (Brand, Generic & Biopharmaceutical) Section 1 (pg 2, line 10)	Disclosure of total and average spending on patient assistance programs from manufacturers.	12 (Y) 1 (N) 1 (A)	DISCLOSURE OF TOTAL SPENDING ON PATIENT ASSISTANCE PROGRAMS
Manufacturer (Brand, Generic & Biopharmaceutical) Section 22 (pg 33, line 12)	Inclusion of the monthly Wholesale Acquisition Cost (WAC) of a drug in direct-to-consumer advertising within the state of Oregon.	11 (Y) 2 (N) 1 (A)	DISCLOSURE OF PRICES IN DRUG ADVERTISEMENT
Manufacturer (Brand, Generic & Biopharmaceutical)	Require manufacturers to report on new drugs with list price exceeding the list price of other drugs within the therapeutic class.	11 (Y) 2 (N) 1 (A)	Not included in 2019 legislation.
Pharmacy Benefit Manager Sections 2, 3, 4, 5, 6 (pg 5, line 27)	Evaluation of the utilization of rebate pass-through or fee-only PBM vendors for state-sponsored health plans.	13 (Y) 0 (N) 1 (A)	FEE-ONLY PHARMACY BENEFIT MANAGERS FOR STATE-SPONSORED PROGRAMS
Insurance Company Sections 7, 8, 9 (pg 15, line 16)	Notice to insurance enrollees about a change in formulary, utilization management rules, or formulary tier placement with increased transparency on availability of brand and generic drugs, grievance and appeals processes, rates, and appeal denials.	11 (Y) 2 (N) 1 (A)	PUBLISHING INFORMATION REGARDING INSURERS' FORMULARIES; NOTICE TO INSURED'S REGARDING CHANGES TO FORMULARIES
Insurance Company	Disclosure of the lesser of the health plan's	13 (Y) 0 (N)	DISCLOSURE OF LESSER OF CASH PRICE OR COST-SHARE

Sections 10, 11 (pg 25, line 40)	cost-share amount or the pharmacy usual and customary (cash) price to current or prospective enrollees.	1 (A)	AND PROHIBITION ON GAG CLAUSES
Hospital and Medical Provider Sections 12, 13, 14 (pg 26, line 28)	Disclosure of hospital and medical provider markups on patient bills.	11 (Y) 1 (N) 2 (A)	DISCLOSURE OF HOSPITAL AND MEDICAL PROVIDER MARK-UPS FOR PRESCRIPTION DRUGS
State Government Entity Sections 15, 16 (pg 29, line 24)	Annual report from state agencies on the 10 highest expenditure, 10 highest increased cost paid, and 10 most prescribed drugs purchased. Identification of and manufacturer report on any prescription drug for which the cost of treatment is at least \$10,000 in the Medicaid program.	14 (Y) 0 (N) 0 (A)	STATE AGENCY COST REPORTING FOR PRESCRIPTION DRUGS
State Government Entity	External audits for state government receipt and use of pharmaceutical rebates.	11 (Y) 2 (N) 1 (A)	Not included in 2019 legislation.
Coordinated Care Organization	Require CCOs to provide information on accurate formulary, prior authorization and use of point-of-prescribing electronic health records modules.	14 (Y) 0 (N) 0 (A)	Not included in 2019 legislation.
Consumer Sections 17, 18 (pg 31, line 17)	Disclosure of funding for nonprofit organizations advocating, outside of patient care, on issues regarding pharmaceutical treatment.	10 (Y) 3 (N) 1 (A)	DISCLOSURE OF FUNDING OF PATIENT ADVOCACY ORGANIZATIONS BY PHARMACEUTICAL SUPPLY CHAIN
Multiple Supply Chain Entities - (PBMs & Insurers)	Reporting - Require PBMs to report specified information on rebates, fees and reimbursements. Require insurers to report	8 (Y) 6 (N) 0 (A)	PBM reporting included. Insurer reporting to be included in -1 amendment.

<p>Sections 19, 20, 21 (pg 32, 13)</p>	<p>specified information on price, fees, reimbursements, and impact of rebates.</p>		
<p>Multiple Supply Chain Entities (PBMs & Insurers)</p> <p>Sections 10, 11 (pg 25, line 40)</p>	<p>Pharmacy - Promote PBMs and insurers to engage in practices that may increase the availability of lower-cost pharmaceuticals for consumers at pharmacies.</p>	<p>13 (Y) 1 (N) 0 (A)</p>	<p>DISCLOSURE OF LESSER OF CASH PRICE OR COST-SHARE AND PROHIBITION ON GAG CLAUSES</p>
<p>Multiple Supply Chain Entities (Manufacturers, PBMs & Insurers)</p> <p>Sections 10, 11 (pg 25, line 40)</p>	<p>Rebates - Disclosure of total financial incentives that flow among manufacturers, PBMs, and commercial health insurers for entities that have a direct transactional relationship. Requires certification of commercial health insurance companies' percentage of rebates applied to minimize consumer premiums or out-of-pocket costs.</p>	<p>10 (Y) 3 (N) 1 (A)</p>	<p>PBM disclosure included. Manufacturer and commercial health insurer disclosure to be included in -1 amendment.</p>