

HB 2678 -2, -3 STAFF MEASURE SUMMARY

House Committee On Health Care

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Meeting Dates: 2/21, 4/4

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.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF AMENDMENT:

-2 Authorizes OHA to withhold payment for a drug that is not a funded health service on the Prioritized List. Removes prohibition on OHA requiring prior authorization for therapeutic classes of nonsedating antihistamines and nasal inhalers. Allows OHA to adopt an aligned preferred drug list for prescription drugs reimbursed through a coordinated care organization's (CCO) global budget. Adds to Practitioner-Managed Prescription Drug Plan (PMPDP) the purposes of simplifying prescribing, ensuring consistent prescribing practices, and achieving significant cost savings with minimal disruptions. Removes authority for practitioners to prescribe drugs not on PMPDP if practitioner indicates drug is medically necessary and most effective option available. Removes limitations on OHA adoption of rules for prior authorization of drugs not on the PMPDP. Removes definition of "mental health drug" and requirement that OHA reimburse the cost of a mental health drug if federal financial participation in the cost of the drug is available.

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

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

-3 Requires OHA to reimburse the cost of mental health drugs, drugs authorized by prior authorization, drugs for which OHA failed to respond to a prior authorization request within 24 hours, drugs the prescriber determines are medically appropriate, specified drugs prescribed before July 28, 2009, and drugs not in a class evaluated for the Practitioner-Managed Prescription Drug Plan (PMPDP). Authorizes OHA to withhold payment for a drug that is not a funded health service on the Prioritized List. Requires OHA to appoint an advisory committee for any rulemaking related to prescription drugs. Beginning January 1, 2024, allows practitioners to prescribe drugs considered by the practitioner to be appropriate for diagnosis or treatment of a patient and pursuant to OHA rules, but limits payment for drugs to the generic form unless an exception has been granted by the OHA.

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

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

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

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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.