

SB 409 -2 STAFF MEASURE SUMMARY

Senate Committee On Health Care

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Meeting Dates: 1/30, 4/3, 4/8

WHAT THE MEASURE DOES:

Directs State Board of Pharmacy (Board) to design wholesale prescription drug importation program in consultation with relevant state stakeholder and federal offices and agencies. Defines "importation program." Specifies elements importation program must comply with. Requires Board to enlist the assistance of the Attorney General to identify potential for anticompetitive behavior in industries that would be affected by importation program. Requires Board to report to the Legislative Assembly by June 30, 2020 on final state of importation program design. Requires Board to submit request for certification of importation program to United States Secretary of Health and Human Services. Sets standards for importation program implementation. Requires Board to report twice annually to the Legislative Assembly on updates to importation program. Takes effect on ninety-first day following adjournment sine die.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

ISSUES DISCUSSED:

- House Bill 4005
- Recent trend in pharmaceutical price increases
- Current restrictions on importation
- Price differential between US and Canada

EFFECT OF AMENDMENT:

-2 Replaces measure. Requires Board of Pharmacy (Board) to study the feasibility of implementing, and develop a plan to implement, a wholesale prescription drug importation program in which the state is a licensed wholesaler that imports prescription drugs from an authorized Canadian supplier for distribution to voluntarily participating pharmacies and providers. Specifies requirements of implementation plan. Requires Board to submit implementation plan and report with finding and recommendation for legislation to Legislative Assembly by June 30, 2020. Requires that report include a cost-benefit analysis at five and ten years after date of implementation. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

In 2018, the Legislative Assembly passed House Bill 4005, creating the Task Force on Fair Pricing of Prescription Drugs. HB 4005 charged the Task Force with developing a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products. The Task Force was also required to deliver a report, finalized in November 2018, containing a cost-effective and enforceable solution that exposes the cost factors that negatively impact prices paid by Oregonians for pharmaceutical products. In developing its fifteen strategies, the Task Force considered approaches taken in other states, including legislation on pharmaceutical importation in Colorado, Vermont, and West Virginia.

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Senate Bill 409 directs the State Board of Pharmacy to develop an importation program directed at prescription pharmaceuticals expected to generate "substantial savings" for Oregon consumers.