

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 2678 - 6

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: April 9, 2019

Measure Description:

Subject to exceptions, allows Oregon Health Authority to require prior authorization for prescription drugs, other than mental health drugs, that are not listed on Practitioner-Managed Prescription Drug Plan and that are reimbursed on fee-for-service basis.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Board of Pharmacy (OBOP), Oregon Medical Board (OMB), Oregon State Board of Nursing (OSBN)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

The bill creates a partially-aligned statewide Preferred Drug List that all Coordinated Care Organizations (CCOs) would be required to adopt. Depending on the impact the measure has on the prices paid by CCOs for prescription drugs, the bill could increase costs to the Oregon Health Authority (OHA) through higher rates paid to CCOs, while drug rebates to OHA could create a savings.

This bill also adds a requirement for the OHA to update the partially-aligned Preferred Drug List regularly through a collaborative process engaging all of the coordinated care organizations. The goals of partially-aligned PDL would be to improve health, simplify prescribing, reduce cost and minimize treatment disruption. OHA would engage with the CCOs in a more formal process to establish a subcommittee that serves in an advisory role to select the limited list of aligned drug classes. This would require additional staffing of a 0.5 FTE Administrative Specialist 2 to support the subcommittee which would cost an estimated \$102,803 General Fund in 2019-21 and \$111,128 General Fund in 2021-23.

This bill will not have a fiscal impact on the Oregon Board of Nursing, the Oregon Board of Pharmacy or the Oregon Medical Board.